Draft Letter of Offer
Dated: January 25, 2024
For Eligible Equity Shareholders only

JAYKAY ENTERPRISES LIMITED

Jaykay Enterprises Limited (our "**Company**" or the "**Issuer**") was originally incorporated as "J.K. Investment Trust Limited" on May 17, 1943, as a public company under the provisions of the Indian Companies Act, VII of 1913 with a certificate of incorporation issued by the Registrar of Joint Stock Companies, United Provinces of Agra and Oudh on May 17, 1943. Subsequently, the name of our Company was changed to "J.K. Synthetics Limited", and a fresh certificate of incorporation consequent to the change of name was issued by the Registrar of Companies, Uttar Pradesh, Kanpur on May 9, 1961, under the provisions of the Companies Act, 1956. Further, the name of our Company was changed to "Jaykay Enterprises Limited" and a fresh certificate of incorporation consequent to the change of name was issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand on October 15, 2010. *For further details, please see "**General Information**" on page 48.*

Registered Office: Kamla Tower, Kanpur-208001, Uttar Pradesh, India
Contact person: Mr. Yogesh Sharma, Company Secretary and Compliance Officer
Telephone: +91512-2371478 | **E-mail id:** cs@jaykayenterprises.com | **Website**: www.jaykayenterprises.com
Corporate Identity Number: L55101UP1961PLC001187

PROMOTER OF OUR COMPANY: MR. ABHISHEK SINGHANIA

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF JAYKAY ENTERPRISES LIMITED

ISSUE OF UP TO 5,84,57,688 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 25/- PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 24/- PER EQUITY SHARE) AGGREGATING UP TO ₹ 14,614.42 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 RIGHTS EQUITY SHARE FOR EVERY 1 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS, ON [●] (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 144.

#Assuming full subscription.

WILFUL DEFAULTERS OR FRAUDULENT BORROWER

NEITHER OUR COMPANY NOR OUR PROMOTER OR ANY OF OUR DIRECTORS HAVE BEEN DECLARED AS WILFUL DEFAULTERS OR FRAUDULENT BORROWERS BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 24 before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft 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 Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("**BSE**") (the "**Stock Exchange**"). Our Company has received 'in-principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated [●]. Our Company will also make application to the Stock Exchange to obtain its trading approval for the Rights 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 BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Corporate Professionals	Alankit
Corporate Professionals Capital Private Limited D-28, South Extension, Part I, New Delhi -110049, India **Tel:** +91 011 4062 2230 / 4062 2200 **E-mail:** mb@indiacp.com **Investor Grievance ID:** mb@indiacp.com **Website:** www.corporateprofessionals.com **Contact Person:** Ms. Anjali Aggarwal **SEBI Registration No.:** INM000011435	**Alankit Assignments Limited** Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055, India **Tel:** +91 11 4254 1966; **Fax**: +91 11 2355 2001 **E-mail**: jaykayerights@alankitassignments.com **Investor Grievance ID**: jaykayerights@alankitassignments.com **Website**: www.alankit.com **Contact Person**: Ms. Neeti **SEBI Registration No.**: INR000002532

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSES ON#
[●]	[●]	[●]

**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(s) on or prior to the Issue Closing Date.*

#Our Board or a duly authorized Right Issue Committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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CONTENTS

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

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

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

*The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, SEBI Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "**Statement of Special Tax Benefits**" and "**Financial Information**" beginning on pages 64 and 100 respectively, shall have the meaning given to such terms in such sections.*

General Terms

Term	Description
"Company", "our Company", "the Company", "the Issuer", "We", "our", "us", or "JKL"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company, Jaykay Enterprises Limited, a company incorporated in India under the Companies Act, 1913, having its registered and corporate office at Kamla Tower, Kanpur-208001, Uttar Pradesh, India.
"Our Group", "Group Entities"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company along with our Subsidiaries/Associate/Partnership Firm/LLP, on a consolidated basis.

Company Related Terms

Term	Description
Articles of Association or Articles/AOA	The articles of association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.
Audited Financial Statements	The audited financial statements of our Company as at and for the financial year ended March 31, 2023 (along with comparative financial statements for the financial year ended March 31, 2022) prepared in accordance with applicable accounting standards, which comprises the balance sheet as at March 31, 2023 (along with comparative balance sheet as at March 31, 2022) and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see "***Financial Information"*** on page 100"
Board/ Board of Directors/ Directors	The Board of Directors of our Company or a duly constituted committee thereof, as appointed from time to time. For details of the Board of Directors, see ***"Our Management***" on page 96
Chief Financial Officer/CFO	The Chief Financial Officer of our Company, namely, Mr. Sanjay Kumar Jain.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, namely, Mr. Yogesh Sharma.
Equity Shareholders	Holders of Equity Share(s), from time to time.
Equity Shares	Equity Shares of face value of ₹1 each of our Company.
Executive Director	Whole-time Director/ Executive Director on our Board.

Term	Description
Financial Statements	Our Consolidated Audited Financial Statements for the Financial year 2022-2023 together with our Limited Reviewed Consolidated Financial Results for the half year and quarter ended September 30, 2023.
Independent Director(s)	Independent Directors on the Board, who are eligible to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, please refer to "***Our Management***" beginning on page 96.
Key Managerial Personnel	The key managerial personnel of our Company as per the definition provided in Section 2(51) of the Companies Act, 2013 and Regulation 2(1) (bb) of the SEBI ICDR Regulations. For details, please refer to "***Our Management***" beginning on page 96.
Limited Reviewed Financial Results	The limited reviewed unaudited consolidated financial results for the half year and quarter ended September 30, 2023, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see "***Financial Information***" on page 100.
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
Memorandum of Association/ MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Board of Directors of our Company constituted nomination and remuneration committee in accordance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 178 of the Companies Act, 2013.
Non-Executive Director(s)	Non-executive non-independent Director of our Company. For details, see "**Our Management**" on page 96.
Promoter Group	The individual and/or entities constituting the promoter group* of our Company determined in accordance with Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Promoter	The promoter of our Company, Mr. Abhishek Singhania.
Registered Office	Kamla Tower, Kanpur-200801, Uttar Pradesh, India.
Registrar of Companies/ RoC	The Registrar of Companies, Kanpur situated at 37/17, Westcott Building, The Mall, Kanpur – 208 001, Uttar Pradesh, India.
Rights Issue Committee	The committee of our Board constituted through the Board Resolution dated July 09, 2023, for purposes of the Issue and incidental matters thereof.
Senior Management	Senior management personnel of our Company determined in accordance with Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as described in "***Our Management***" beginning on page 96.
Statutory Auditors	The current statutory auditors of our Company, namely, M/s P.L. Tandon & Company, Chartered Accountants.
Stakeholders' Relationship Committee	The Board of Directors of our Company constituted a stakeholder relationship committee in accordance with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 178 of the Companies Act, 2013.

Issue Related Terms

Term	Description
Abridged Letter of Offer/ ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment/ Allot/ Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account Bank(s)	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

Term	Description
	being, ICICI Bank Limited.
Allotment Account(s)	The account(s) to be opened with the Banker(s) to this Issue, into which the 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.
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Rights Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotment Date / Date of Allotment	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s)/ Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer.
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 or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Rights Equity Shares.
Application Money	Amount payable at the time of Application, i.e., ₹25/- (Rupees Twenty Five Only) per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
ASBA Applicant/ ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Banker(s) to the Issue	Together, the Escrow Collection Bank, the Allotment Account Bank and Refund Bank, in this case being ICICI Bank Limited.
Banker to the Issue Agreement	Agreement dated [●] amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Rights Equity Shares.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "***Terms of the Issue***" beginning on 144.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.

Term	Description
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Designated Stock Exchange	BSE Limited.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer or DLOF	This draft letter of offer to be filed with the SEBI and the Stock Exchanges in accordance with the SEBI ICDR Regulations.
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date i.e., [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "***Notice to Investors***" beginning on page 14.
Equity Shareholder(s) /Shareholders	Holder(s) of the Equity Shares of our Company.
Escrow Account	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors – eligible equity shareholders as on record date making an Application through the ASBA facility.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being ICICI Bank Limited.
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI as defined under Regulations 2(1)(lll) of the SEBI ICDR Regulations
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on Record Date [●] and / or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of the Letter of Offer.
ISIN	International securities identification number i.e., INE903A01025
Issue / Rights Issue	Issue of up to 5,84,57,688 Fully Paid Equity Shares of face value of ₹1 each of our Company for cash at a price of ₹25 per Rights Equity Share aggregating up to ₹14,614.42# Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (one) Rights Equity Shares for every 1 (one) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●] *#Assuming full subscription.*
Issue Agreement	Issue Agreement dated January 23, 2024, between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Materials	Collectively, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹25/- per Equity Share.

Term	Description
Issue Proceeds or Gross Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of up to 5,84,57,688 Rights Equity Shares for cash at a price of ₹25 per Rights Equity Share (including a premium of ₹24 per Rights Equity Shares) aggregating up to ₹14,614.42 lakhs. # *#Assuming full subscription*
Lead Manager/LM/Lead Manager to Issue	The Lead Manager to the Issue, namely, Corporate Professionals Capital Private Limited
Letter of Offer/LOF	The final letter of offer to be filed with SEBI and Stock Exchange
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement dated [●] between our Company and the Monitoring Agency in relation to monitoring of Net Proceeds
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to "***Objects of the Issue***" beginning on page 56
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1) (jj) of the SEBI ICDR Regulations
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a Depository Participant in accordance with the SEBI ICDR Master Circular 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 stockbroker in accordance with the SEBI ICDR Master Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●]
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Rights Equity Shares, being [●]
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited
Registrar Agreement	Agreement dated January 23, 2024, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar to the Issue / Registrar to the Company/Registrar	Alankit Assignments Limited, situated at, Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055, India.
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, the SEBI Rights Issue Circulars, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e., [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e., [●].

Term	Description
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 ₹2,00,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations
RE ISIN	ISIN for Rights Entitlement i.e. [●]
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Entitlement(s)	Number of Rights 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, in this case being 1 (one) Equity Shares for every 1 (one) Equity Shares held by an Eligible Equity Shareholder, on the Record Date, excluding any fractional entitlements. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date. The Rights Entitlements with a separate ISIN: [●] will be credited to the respective demat account of Eligible Equity Shareholder before the Issue Opening Date, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
Self-Certified Syndicate Banks /SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=34, updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
SEBI ICDR Master Circular	SEBI Master circular bearing reference number SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023, along with the any subsequent circulars or notifications issued by SEBI in this regard.
Stock Exchange	Stock exchange where the Equity Shares of our Company are presently listed, being BSE Limited
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in New Delhi are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in New Delhi are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI

Business and Industry Related Terms

Term	Description
AAIFR	Appellate Authority for Industrial and Financial Reconstruction
AI	Artificial Intelligence
ACC	Autodesk Construction Cloud
AEC	Architecture, Engineering, and Construction
AM	Additive Manufacturing

Term	Description
BEL	Bharat Electronics Limited
BEML	Bharat Earth Movers Limited
BIA	Bilateral Innovation Agreement
BIFR	Board of Industrial and Financial Reconstruction
CAD	Current Account Deficit
CAD software	Computer-aided design
CAGR	Compound Annual Growth Rate
CAM	Computer-aided Manufacturing
CAPEX	Capital Expenditure
CGST	Central Goods and Services Tax
CNC	Computer Numerical Control
CMM	Coordinating Measuring Machine
CPI	Consumer Price Index
DAP	Defence Acquisition Procedure
DPIIT	Department for Promotion of Industry and Internal Trade
DPSU	Defence Public Sector Undertakings
DPT	Defence Policy Talks
DRDO	Defence Research and Development Organisation
DTTI	Defence Technology and Trade Initiative
EOS	EOS Singapore Pte Ltd
ERP	Enterprise Resource Planning
FDI	Foreign Direct Investment
FPI	Foreign Portfolio Investment
FPIs	Foreign Portfolio Investors
FY	Financial Year
GDP	Gross Domestic Product
GII	Global Innovation Index
GST	Goods and Services Tax
HAL	Hindustan Aeronautics Limited
HFIs	High-Frequency Indicators
IAF	Indian Air Force
iDEX	Innovations for Defence Excellence
IGST	Integrated Goods and Services Tax
IIP	Index of Industrial Production
IIOT	Industrial Internet of Things
IOT	Internet of Things
IMTEX	International Machine Tool and Manufacturing Technology Exhibition
Indian-IDDM	Indian-Indigenously Designed, Developed and Manufactured
INDUS-X	India-United States Defence Acceleration Ecosystem
IPRs	Intellectual Property Rights
ISRO	Indian Space Research Organisation (U.R. Rao Satellite Centre)
LLP	Limited Liability Partnership
MES	Manufacturing Execution System
MoD	Ministry of Defence
MoU	Memorandum of Understanding
MoSPI	Ministry of Statistics & Programme Implementation
MSMEs	Micro, Small & Medium Enterprises
NA	Not Applicable
OPEX	Operational Expenditure
Opp	Opposite
PE-VC	Private Equity Venture Capitalist
PLI	Production Linked Incentive scheme
PLM	Product Lifecycle Management
PMI	Purchasing Manager’s Index
PSUs	Public Sector Undertakings
Q3	3rd Quarter

Term	Description
R&D	Research and Development
SGST	State Goods and Service Tax
SGE	Silvergrey Engineers
SMEs	Small and Medium Enterprises
Swiss	Switzerland
UK	United Kingdom
US	United States of America
US$	US Dollars
YOY	Year-Over-Year
%	Percentage
&	And
3D	Three Dimensional

Conventional and General Terms/Abbreviations

Term	Description
₹, Rs., Rupees or INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013/ Companies Act	Companies Act, 2013 along with the rules made thereunder
COO	Chief Operating Officer
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's identification
DTAA	Double Taxation Avoidance Agreement
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary General Meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal Year or Fiscal/FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated

Term	Description
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI or Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
India	Republic of India
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
NA or N.A.	Not Applicable
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NPA(s)	Non-performing assets
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent Account Number
PAT	Profit after tax
Pvt Ltd	Private Limited
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957

Term	Description
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations/SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Rights Issue Circulars	SEBI circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
Stock Exchange	BSE
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turnaround time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
U.S.$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified Institutional Buyer as defined in Rule 144A
USA, U.S. or United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act or Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

NOTICE TO INVESTORS

The distribution of the Letter of Offer, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter, and other issue materials and the issue of Rights Entitlement and Rights Equity Shares on a right basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Abridged Letter of Offer, Application Form or other issue material may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will send/dispatch the issue material, only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. The Issue material will be provided, through email and/or courier, 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. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue material will be sent only to their valid e-mail address, and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Investors can also access the Issue material from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI for observations and the Stock Exchange. Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering 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 this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer, invitation to or solicitation by anyone in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, Letter of Offer, and the Abridged Letter of Offer 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 this Draft Letter of Offer, the Letter of Offer, or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction and India, without the requirement for our Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "Other Regulatory and Statutory Disclosures" on page 135. Our Company, in consultation with the Lead Manager, the Registrar, or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and other issue material 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 Draft Letter of Offer, Letter of Offer, and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX, FINANCIAL OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE ISSUE OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER OR THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENTS OR THE RIGHT EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions. The Issue Materials are 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.

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, sold or resold or otherwise transferred within 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. Accordingly, the Rights Entitlements (including their credit) and the equity shares are only being offered and sold outside the United States in offshore transactions in reliance on regulations under the U.S. Securities Act ("**Regulation S**") and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. The offering to which this Draft 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 or transfer 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, any documents relating to the issue should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements 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, electronically transmitted from the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer of securities under this Draft Letter of Offer, and all persons subscribing for the Rights Equity Shares 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 this Draft Letter of Offer/ 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 address in India. 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. Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States. The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any other federal or any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants/ Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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 the applicable 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.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" contained in this Draft 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 Draft 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 Draft Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

In this Draft Letter of Offer, 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 Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer have been derived from our Audited Financial Statements. For details, please see "***Financial Information***" beginning on page 100. 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 in this Draft Letter of Offer, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

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

Unless stated or the context requires otherwise, our financial data (a) as at and for the Financial Year ended March 31, 2023, included in this Draft Letter of Offer is derived from the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023; and (b) Limited Reviewed Consolidated Financial Information of our Company, and its share of net profit after tax and total comprehensive income, which comprises of the statement of profit and loss (including other comprehensive income) for the Six-months period ended September 30, 2023 together with selected explanatory notes thereon, prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. For further information, see "***Financial Information***" on page 100.

The Audited Financial Statements of our Company for the Financial Year ended March 31, 2023 have been prepared in accordance with Ind AS, as prescribed under Section 133 of the Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees in Lakhs.

In this Draft 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 the Financial Statements in whole numbers and in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

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

Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. Prospective Investors are advised to consult their advisors before making any investment decision. For further information, see "***Financial Information***" beginning on page 100 .

Certain figures contained in this Draft 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 Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft 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; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft 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 be 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***" beginning on pages 24, 86, and 105 and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

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

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

(in ₹)

Name of the Currency	As of September 30, 2023	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
United States Dollar	83.06	82.22	75.81	73.50

(Source: RBI and FBIL reference rate www.fbil.org.in)
Note: In case March 31 of any of the respective years / period or September 30 is a public holiday, the previous Working Day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry, demographic and market data used in this Draft 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 the accuracy and completeness of such information are not guaranteed, and their reliability cannot be assured. This information is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Although we believe the industry and market data used in this Draft 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***" beginning on page 24. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft 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 sources.

FORWARD LOOKING STATEMENTS

In this Draft Letter of Offer, we have included statements, which contain words or phrases such as "will", "may", "aim", "is likely to result", "believe", "expect", "continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "pursue" and similar expressions or variations of such expressions, that are "forward-looking statements". 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 include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business, and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft 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. Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations, and taxes, the incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include but are not limited to, the following: Any adverse outcome in litigation proceedings in which our Company is involved;

- Inability of our Wholly Owned Subsidiaries, Subsidiaries, Associates and Partnership Firm to carry on their business;
- Any adverse changes in central or state government policies;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- Our ability to maintain or improve our technology infrastructure;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- Any adverse development that may affect our operations; and
- General, political, economic, social and business conditions in India and other global markets; and
- Other factors beyond our control

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Position and Results of Operations***" beginning on pages 24, 86, and 105 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated. 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 of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoter, nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

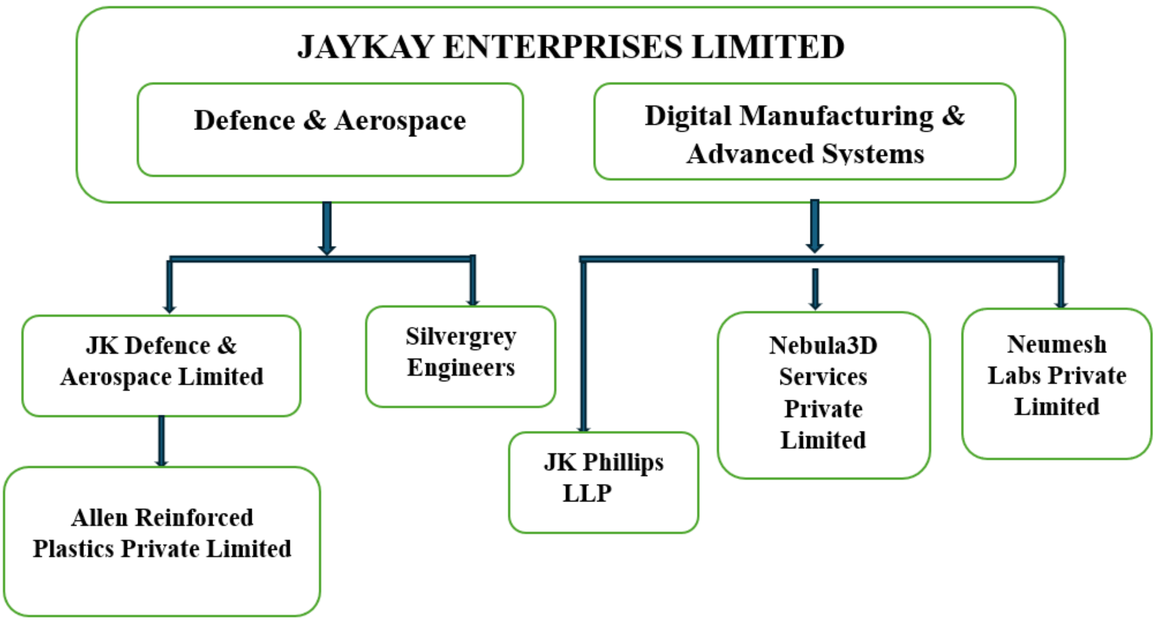
SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, "***Risk Factors***", "***Objects of the Issue***", "***Our Business***" and "***Outstanding Litigation and Defaults***" beginning on pages 24, 56, 86 and 121, respectively.

Primary Business

We are a part of J K Organisation, a diversified JK conglomerate, as on the date of this Draft Letter of Offer, We alongwith our Subsidiaries, Step down subsidiaries, Associates and/ or Partnership firms (Our Group) on consolidated basis are engaged in the business of: (i) Defence & Aerospace-manufacturing of precision-turned components and all varied types of engineering goods for the defence, aerospace along with trading and dealing in various kinds of products related to Defence; and (ii) Digital & Advanced Systems- additive manufacturing and also providing technical consultancy services, 3D Scanning, reverse engineering, plant modelling, design, development, and market software products for 3D and allied activities.

Our Group Structure:



For further information, please see "**Our Business**" beginning on page 86.

Objects of the Issue

The proposed utilization of the Net Proceeds is set forth in the table below:

(₹ in lakhs)

Particulars	Amount(#)
Investment in its Wholly Owned Subsidiary JK Defence & Aerospace Limited.	9,000.00
Investment in its Wholly Owned Subsidiary JK Digital & Advance Systems Pvt. Ltd.	4,800.00
General corporate purposes*	[●]
Total Net Proceeds	[●]

**Subject to finalization of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount*

utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.
#Rounded off to two decimal places

For further details, please see the chapter titled "***Objects of the Issue***" beginning on page 56.

Intention and extent of participation by our Promoter and Promoter Group shareholders

Mr. Abhishek Singhania, our Promoter on behalf of the Promoter and Promoter Group* vide his letter dated January 17, 2024 ("**Letter of Intent**"), have indicated his and the promoter group's intention to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and have also confirmed that they shall not renounce their Rights Entitlement (except to the extent of any Rights Entitlement renounced by any of them in favour of any other Promoter or member of the Promoter Group of our Company).

Further, they reserve the right to apply for, and subscribe to, additional Rights Securities, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations.

***Note: Excluding 1. Yadu Securities Private Limited (holding 200 shares) and 2. G. H. Securities Private Limited (holding 100 shares) which have been wound up and dissolved pursuant to the order of the Hon'ble High Court of Judicature at Allahabad in 2017; and 3. Gaur Hari Singhania Jt With Vasantlal D. Mehta & Raghubir Prasad Singhania, holding 100 Equity shares, in the capacity of Executors to the Will of Late Shri P.D. Singhania. However, since all three Executors have passed away, the shares are yet to be distributed amongst the legal heirs of Late Shri P.D. Singhania.*

Outstanding litigation and defaults

A summary of the outstanding material legal proceedings involving our Company as on the date of this Draft Letter of Offer is set forth in the table below:

Particulars	Criminal Matters	Matters involving material violations of statutory regulations	Economic offences where proceedings have been initiated against our Company	Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters, which if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Tax Proceedings	Aggregate amount involved (₹ in lakhs)
Against the Company	1	-	-	8	9	Not Ascertainable*
By the Company	-	-	-	13	6	Not Ascertainable*

**Not ascertainable as the liability will be ascertainable only upon the conclusion of certain cases.*

For further details, please see "***Outstanding Litigation and Defaults***" on page 121.

Risk Factors

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company, and other economic factors please see "***Risk Factors***" beginning on page 24. Investors are requested to read the risk factors carefully before taking an investment decision in the Issue.

Contingent Liabilities

For details regarding our contingent liabilities, please see "***Financial Statements***" on page 100.

Related Party Transactions

For details regarding our related party transactions as per Ind AS 24 entered into by our Company, please see "***Financial Statements***" on page 100.

Issue of equity shares made in the last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash immediately preceding the date of filing of this Draft Letter of Offer.

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SECTION II - RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the "**Financial Statements**" on page 100, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "**Our Business**", "**Industry Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 86, 68 and 105, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.*

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

*This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please refer to "**Forward Looking Statements**" beginning on page 20.*

*Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Financial Statements and Limited Reviewed Financial Results included in this Draft Letter of Offer. For further information, please refer to "**Financial Statements**" beginning on page 100]. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" "Our Company" refers to Jaykay Enterprises Limited and its Subsidiaries and Associate on the consolidated basis.*

Internal Risk Factor

1. We conduct our business activities across various sectors through our Subsidiaries, Step-Down Subsidiaries, Associates, Partnership Firms and Joint Ventures. However, in the event, if we are not able to effectively manage our diverse operations, it may negatively impact our business, financial results, cash flow and overall financial condition.

We operate our business verticals through our Wholly Owned Subsidiaries, Step down Subsidiaries, Associates and Partnership Firm and Joint Ventures.

As on March 31, 2023, the total revenue was Rs. 1292.44 lakh and Rs. 5865.82 lakh on Standalone and Consolidated basis respectively, the Operational Revenue on Standalone basis was Rs. 29.70 Lakh as compared to Rs. 4,695.53 Lakh on Consolidated basis and the Profit after Tax on standalone basis was Rs. 778.74 lakhs as compared to Rs. 708.39 lakhs on consolidated basis. A substantial percentage of our consolidated revenue as on March 31, 2023, is derived from our Material Subsidiary, namely Neumesh Labs Private Limited and Associate

Company, namely Nebula3D Services Private Limited which are engaged in the business of 3D Scanning Services Laser Tracker Services, Reverse Engineering Services, Rapid Photocopying, etc.

Although we may not have complete direct control over the day-to-day operations of some of our group entities, our management team have significant knowledge and talent to effectively oversee and allocate time and attention to each organization. This enables us to supervise their operations and assess their potential for development. In addition, we assess certain important issues at a collective level, while these organizations have independent resources to assist with their daily activities and decision-making. Furthermore, it is essential that we consistently enhance our cost controls, internal controls, and accounting and reporting systems to effectively support our varied business ventures. To effectively manage our diverse businesses, we must stay updated on important developments in each industry and location from where we operate. Additionally, we need to enhance our operational, financial, and management systems, improve the skills of our senior staff, and provide ongoing training, motivation, and supervision to our employees. Furthermore, these varied enterprises may encounter unique geographical, regional, macroeconomic, and financial obstacles that differ from the ones we are accustomed to. Any negative changes in their business operations or failure to meet their obligations could have a detrimental effect on our financial situation. For instance, (i) Our Associate, Nebula3D Services Private Limited has substantial accumulated loss carried forward from previous years and Nebula3D Services Private Limited has also incurred cash losses during the financial year 2022-23 resulting in erosion of its net worth as at March 31, 2023 and we cannot assure their positive future outlook with certainty; (ii) Our Wholly Owned Subsidiaries, namely JK Digital & Advance Systems Private Limited and JK Defence And Aerospace Limited are both newly incorporated and as on date of the Draft Letter of Offer are not carrying any business as such and we cannot assure whether they would be in a position to effectively carry on the intended business on their own.

Our financial condition may also be affected by adverse trends in the financial results of our Subsidiaries, Associates and Partnership Firm, particularly if they contribute substantially to our results of operations. We cannot assure you that, to the extent these entities operate their business independently, they will act in a manner that is beneficial to our Company. If we are unable to manage our diversified operations effectively, our business, results of operations, cash flows and financial condition may be adversely affected.

The Company has encountered financial setbacks in the past, and the prospect of continued losses in the future remains a possibility attributable to various factors, including market conditions, operational challenges, industry dynamics, investment and expansion risks, cost management, and global economic factors. Investors should exercise due diligence and carefully evaluate these factors before making investment decisions. Although the Company remains committed to addressing challenges through strategic initiatives, there is no assurance of unequivocal success in overcoming them. While the Company reported a profit after tax of Rs. 778.74 Lakh (Standalone) and Rs. 708.39 Lakh (Consolidated) in FY 2023, investors are urged to exercise prudence and recognize that prior financial success is not indicative of guaranteed future profitability. Our industry's dynamic nature, coupled with external influences, underscores the inherent uncertainties inherent in our financial performance. For further details on our profitability, see "***Financial Information***" on page 100.

Due to our limited experience in all of the above businesses, we may face unanticipated hurdles with respect to such new business. Further, some of these initiatives may fail to commence or may have to be abruptly discontinued at their early stages, due to regulatory, commercial or other reasons. We may also fail to initiate or choose to discontinue the new initiatives if we do not attract significant business from such initiatives. Additionally, the anticipated benefit of many of our recent initiatives may not materialize if we fail to integrate our initiatives or newly acquired business and our business, financial condition, cash flows and results of operations may be adversely affected.

2. Over the years, there have been many changes in the Company's business activities and we have recently entered into new business and we may not be able to perform as anticipated or commence on time or at all or may be discontinued.

Entry into new businesses and markets subjects us to various challenges, including those relating to our lack of familiarity with the intricacies of the operations, trends in customer preferences, relative strengths of competitors' products, difficulties in staffing and managing such operations, the lack of brand recognition and reputation in the segment, among other. Additionally, by entering into new business, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to expropriation or other government actions; and political, economic and social instability. We may not be able to execute our plans in a timely and cost-efficient manner. Further, our investment in these new businesses or segments may not be successful if they do not perform as per our expectations.

We started our journey in year 1943 under the name and style of 'J.K. Investment Trust Limited' registered under the provisions of the Indian Companies Act 1913, to function as an investment company. In 1960, we transitioned from our business of an investment company, and entered into the business of manufacturing nylon and acrylic fibers. In order to reflect the business of the Company, our name was changes to 'J.K. Synthetics Limited'.

Later in the year December 1994, our Company had obtained a certificate of registration as Registrar and Share Transfer Agent in its erstwhile name "J.K. Synthetics Limited", bearing SEBI Registration Number INR100000014 having validity from January 1, 1995 till December 31, 1997 and renewed thereafter till year 2000 under Registration Number INR100000576 and renewed further with SEBI Registration Number INR100000592 from the year 2001 onwards.

In the year 1998, our company was referred to Board for Industrial and Financial Reconstruction ("**BIFR**") and thereafter to Appellate Authority for Industrial & Financial Reconstruction ("**AAIFR**") whereby pursuant to a scheme of rehabilitation as sanctioned AAIFR, various revival steps were undertaken including slump sale of Cement division of our Company and thereafter our Company came out from the purview of BIFR.

Later in the year 2010, the name of our Company was changed to 'Jaykay Enterprises Limited'. However, in year 2021, the management of the Company made the decision to cease its Registrar and Share Transfer Agent business permanently and later applied to SEBI, for surrender of the certificate of registration, which is pending for approval as on date.

In year 2022, we have again amended our objects in order to enable us to undertake a new line of business inter alia, Defence & Aerospace Sector and IT enabled services. Further, we have recently, through our wholly owned subsidiaries, Subsidiaries and Associates and partnership firm, entered into business of Defense & Aerospace and other allied services and Digital Manufacturing & Advanced systems inter-alia Additive manufacturing, 3D printing, developing software products, and related technical consultancy services. Entering into new initiatives requires strategic planning and efficient use of resources.

Our past history of unsuccessful businesses may impact our future businesses as well. And we cannot assure as to the success of our new ventures/ business projects and the time within which profitability may arise, cannot be anticipated.

3. There are certain outstanding legal proceedings involving our Company and our Subsidiaries. Any adverse outcome in such legal proceedings may adversely affect our business, financial condition and results of operations.

There are certain outstanding legal proceedings involving our Company and our Subsidiaries that are incidental to our business and operations. These include, inter alia, material civil proceedings, criminal proceedings and proceedings before regulatory authorities. These are pending at different levels of adjudication before various courts, tribunals and appellate tribunals.

A summary of the outstanding legal proceedings against our Company and our Subsidiaries as disclosed in this Letter of Offer along with the amount involved, to the extent quantifiable, has been set out below.

Particulars	Criminal Matters	Matters involving material violations of statutory regulations	Economic offences where proceedings have been initiated against our Company	Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters, which if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Tax Proceedings	Aggregate amount involved (₹ in lakhs)
Against the Company	1	-	-	8	9	Not Ascertainable*
By the Company	-	-	-	13	6	Not Ascertainable*

**Not ascertainable as the liability will be ascertainable only upon the conclusion of certain cases*

Such legal proceedings could divert management time and attention and consume financial resources in their defense. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of such legal proceedings, notices and summons or that such matters will be adjudicated in our favour or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. If a significant number of these legal proceedings are finally determined against us, our reputation, business, cash flows, financial condition and results of operations could be materially and adversely affected.

4. ***We had negative cash flow from operating and investing activities, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

Our Company had negative cash flows from our operating and investing activities in the previous years including for Financial Year 2023. Summary of our Cash Flows from Operating activities, Investing Activities and Financing Activities in half year and quarter ended on September 30, 2023 (unaudited), and financial years ended on March 31, 2023, 2022 and 2021 on standalone basis is as following:

(Rs in Lakhs)

Cash Flow From	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Operating activities	(979.16)	(794.54)	(335.18)	(431.76)
Investing Activities	(2,026.83)	(695.24)	(2,006.09)	1,853.82
Financing Activities	2,919.80	1,337.59	306.57	862.25

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details, please see "***Financial Information***" on page 100.

5. ***If we are unable to raise additional capital for our business, it may delay our Company's growth plans and have a material adverse effect on our business and financial condition.***

We will continue to incur significant expenditure in maintaining and growing our business operation. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. Our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, if we are unable to arrange adequate financing on timely basis, it 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 regulatory framework that allows us to raise capital. 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.

6. ***We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.***

We have entered into certain transactions with related parties with our Promoter, Directors and other related parties and may continue to do so in future. For further details, please see the section titled "**Financial Information**" on page 100. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Additionally, our Company believes that all our related party transactions have been conducted on an arm's length basis, but we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations.

7. ***Certain of our corporate records and filings are not traceable. We cannot assure you that no legal proceedings or regulatory actions will be initiated against us in the future in relation to any such discrepancies.***

The Company has recently undergone reclassification of members of Promoter Group wherein Yadu International Limited, Mr. Anil Kumar Agarwal, Mr. A.K. Saorogi, Mr. Madhavkrishna Singhania, Mr. Raghavpat Singhania, Ms. Nidhipati Singhania and Kalpana Singhania, on January 11, 2022 **(***herein referred to as "***Erstwhile Promoters***"***)**, were reclassified from the 'Promoter and Promoter Group Category' to 'Public Category' as per Regulation 31A of the SEBI LODR Regulations, pursuant to the will of Late Mr. Yadupati Singhania. Post the same, there have been changes in the Company's KMPs and also the Board of Directors.

Further, some of the member of our promoter group namely, 1.) Yadu Securities Private Limited (holding 200 shares) and 2.) G. H. Securities Private Limited (holding 100 shares) has been wound-up and dissolved pursuant to the Hon'ble High Court of Judicature at Allahabad Order in 2017 and 3.) Gaur Hari Singhania Jt With Vasantlal D. Mehta & Raghubir Prasad Singhania (holding 100 Equity shares), in capacity of Executors to the Will of Late Shri P.D. Singhania. Since all the three Executors have passed away, the shares are yet to be distributed amongst the legal heirs of Late Shri P.D. Singhania. Thus, these shares are still in physical form. For details, see **Risk Factor – "All of the shareholding of our Promoter group is not dematerialized" on page 40.**

As a result of the reclassification of promoter and promoter group and changes in the KMPs, certain corporate records and filings are not traceable as on date. Promoters and Directors of the Company have furnished declarations in respect these. Therefore, with respect to certain documents, reliance has been placed on such declarations.

Although, the Company is in the process of collating all such data and records but we cannot assure you that our management will be successful in getting all the missing data and information. Accordingly, neither we, nor the Lead Managers have been able to independently verify the details in the absence of primary documentary evidence.

In case, any enquiry is initiated against the Company by any of the Regulatory Authorities, for non-submission/ non availability of any such data and records, there may be penal implications of the same, thus putting a financial strain on the Company.

8. ***We have contingent liabilities, and our profitability could be adversely affected if any of these contingent liabilities crystallizes.***

Except as set out below, there were no claims against our Company not acknowledged as debt as on September 30, 2023, and March 31, 2023:

Particulars		**As on September 30, 2023**	**As at March 31, 2023**
i.	In respect of claims against the Company not acknowledged as debts :	Amount unascertainable	Amount unascertainable
ii.	In respect of following Corporate Guarantees given to State Bank of India for finance provided to subsidiary company and firm:		
	Neumesh Labs Private Limited (Subsidiary Company) :	1630.64 Lakh	1711.50 Lakh
	M/s SilverGrey Engineers (Partnership Firm with 99% share) :	130.87 Lakh	248.35 Lakh
iii.	The Company has filed an appeal to Commissioner of Customs (Appeals) against the disputed customs demand raised by the customs department.		959.40 Lakh

For further details on our contingent liabilities, see "***Financial Information***" on page 100. If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected.

9. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilise the proceeds from this Issue in a timely manner or at all.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, see "***Objects of the Issue***" on page 56. Further, our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy and therefore we may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, we may not be able to utilise the proceeds from this Issue in the manner set out in this Draft Letter of Offer in a timely manner or at all. As regards utilisation of Net Proceeds for repayment of loans or prepayment of loan will be based on various factors, including the factors specified in the section "***Objects of the Issue***" on page 56.

10. ***Our Company has issued corporate guarantees in relation to the debt facilities availed by our Subsidiary, Associate and Partnership Firm, which if defaulted, the respective lender may enforce its rights against us.***

The Company have issued corporate guarantees and mortgaged its property against the debt facility availed by our subsidiary namely Neumesh Labs Private Limited and our associate Nebula 3D Services Pvt. Ltd., we also issued corporate guarantee against the debt facility availed by SilverGrey Engineers (partnership firm, wherein our company has 99% share) in favour of the lender. In the event if any of these guarantees are revoked or mortgaged properties are moved against, then the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. While we have not faced any revocation of such guarantees in the past, if any of these guarantees are invoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. Further we may not be successful in procuring alternative guarantees satisfactory to the lenders and as a result, may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition**.** In the event of a default by our subsidiary and partnership firm under the loan facility, the lender may enforce its rights against us, including by way of appropriation and sale of assets provided as security and invocation of corporate guarantee and we may be required to immediately repay such borrowings to the either in whole or in part, together with any related costs We cannot assure you that our subsidiary and partnership firm will not default on any of our repayment obligations or other terms of the borrowing arrangements in the future or that our respective lenders will not enforce their rights upon such default.

11. ***JK Defence & Aerospace Limited and JK Digital & Advance Systems Private Limited, have no business and source of revenue, as on date of this Draft Letter of Offer and risk of non-performance of both these subsidiaries.***

The primary Object of the issue is to make investments in its wholly owned subsidiary JK Defence & Aerospace Limited and JK Digital & Advance Systems Private Limited to the tune of approximately ₹ 13,800 Lakh. Both these subsidiaries are newly incorporated companies and are in the process of setting up businesses. There may be a situation where JK Defence & Aerospace Limited and JK Digital & Advance Systems Private Limited, may not operate efficiently and investments made by the Company into these entities may end up into decreasing in value, causing loss to the Company on consolidated basis. For details of present financial position of JK Defence & Aerospace Limited and JK Digital & Advance Systems Private Limited please see page 56 in Chapter Titled “Objects of the Issue”.

Both these subsidiaries are newly incorporated companies on July 03, 2023, and July 27, 2023, respectively. They are still to generate any business and sources of revenue. There is no record of past performance by these entities into their areas of operations. For details of area of operations of these entities please see chapter title “Our Business” on page no. 86. The Non-availability of any past performance records makes us unable to estimate the future prospects of these companies individually. All the investments plans by us in these entities are an estimation by the management of the Company, considering the growth prospects of Defence & Aerospace and Digital & Advance System industry. For details of Industry of operation of these entities please see chapter title “Industry Overview” on page no. 68.

12. ***Our Company has applied to SEBI for surrender the certificate of registration of Registrar and Share Transfer Agent and such approval is pending from SEBI***

The Company was registered with SEBI as Registrar and Share Transfer Agent (SEBI Registration Number INR100000592). However, in 2021, the Board of Directors of the Company decided to cease its Registrar and Share Transfer Agent business permanently and surrendered the certificate of registration which is pending for approval as on date.

In case the SEBI doesn’t grant such approval or surrender of Registrar and Share Transfer Agent business registration, may have financial impact on our Company and have to abide by the directions of the SEBI in that behalf.

13. ***Our continued operations are critical to our business and any shutdown of manufacturing units might adversely affect our business, results of operations and financial condition. The loss of, or shutdown of, our operations at the manufacturing units of subsidiaries or associates or any disruption in the operation of the***

warehouses will adversely affect our business, financial condition and results of operations.

The manufacturing units of our wholly owned subsidiaries and associate companies, including godowns and warehouses are prone to local social unrest, natural disaster or breakdown of services and utilities and might have material adverse effect on the business, financial position and results of our operations. These manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event, we are forced to shut down these manufacturing units for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiraling cost of living around these units may push the manpower costs in the upward direction, which might reduce our margin and cost competitiveness. These manufacturing, processing and other business activities might be subject to unexpected interruptions, including natural or man-made disasters. These facilities and operations might be adversely affected by, among other factors, breakdown or failure of equipment, difficulties or delays in obtaining spare parts and equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labor disputes, natural disasters, raw material shortages, fire, explosion and other unexpected industrial accidents and the need to comply with the directives of relevant government authorities.

14. ***In the event our marketing initiatives do not yield intended results our business and results of operations may be adversely affected.***

We believe that the recognition and reputation of our brands has contributed to the growth of our business. We intend to continue to enhance the brand recall of our products through the use of targeted marketing and public relations initiatives. In order to maintain and enhance such recognition and reputation, we may be required to invest significant resources towards marketing and brand building exercises, specifically with respect to new products we launch or for geographic markets where we intend to expand our operations.

We incur advertising and marketing expenses to increase brand recall and capture additional demand, and in the event they do not yield their intended results, or we are required to incur additional expenditures than anticipated, our business and results of operations might be adversely affected.

15. ***This Draft Letter of Offer contains information from the publicly available information. There can be no assurance that such third-party statistical, financial, and other industry information is either complete or accurate.***

We have sourced information related to our industry from the publicly available information, Neither we nor the Lead Manager or their associates or affiliates, nor any other person connected with the Issue has verified the industry-related information referred to in this Draft Letter of Offer and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete or reliable.

Industry and government sources and publications may also base their information on estimates, forecasts, and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "***Industry Overview***" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft

Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company.

16. The raw materials, consumables, and specialized equipment are key requirements for any Company and the suppliers have significant bargaining power.

The raw materials, consumables, and specialized equipment are key requirements for any Company and the suppliers have significant bargaining power. In addition, the bargaining power is also influenced by availability, unique performance attributes, and service capabilities, to name a few factors. Further, availability of raw materials during times of disruption in the markets due to any pandemic, war, dispute, embargo, etc. which may affect the logistics and movement of goods may cause disruption in the manufacturing processes which may have a material adverse effect on our results of operations, cash flows and financial condition. Suppliers of commodity metals, scrap, alloys, and the like, control the price and supply on a global basis. Often other sectors drive the pricing of these materials, as foundry consumption is small in comparison. Disruption in international markets due to any global pandemic, war, dispute, embargo, etc. affect the logistics and movement of goods and in turn affect the prices and supplies. Hence, the suppliers to foundries have high bargaining power overall.

17. Any delays and/or defaults in customer payments could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products directly to our customers without taking any advance payment or security deposit against the orders `placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it may have a material adverse effect on our Company's results of operations and financial condition.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

18. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.

Our business requires a significant amount of working capital. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Furthermore, we are also required to meet the increasing demand and for achieving the same, adequate stocks are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

19. Our inability to protect or use our trademark or logo may adversely affect our business.

We believe that our Company's logo is significant to our business and operations. The use of our logo/trademark by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance and the market price of the Equity Shares. As on date of this Draft Letter of Offer, our Company has registered its logo under class 36, 37, 39 and 41 and has made application for the registration under class 19,40, 42 out of which application for registration under class 19, 42 were objected and application under class 40 is published & advertised. For further details, see "***Our Business***" on page 86. Our inability to maintain these registrations may adversely affect our competitive business position, affect our brand value and consequently have an adverse effect on our business, results of operations and financial condition.

20. We are dependent on information technology systems in carrying out our business activities and it forms an integral part of any business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.

We are dependent on our information technology system in connection with carrying out our business activities and running our manufacturing facilities and such systems form an integral part of our business. Any failure of our information technology systems could result in interruptions in manufacturing activities, and also the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems may be vulnerable to computer disruptive problems. These problems could lead to disruptions in our business activities. Fixing such problems may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Such breaches of our information technology systems may require us to incur further expenditure. Further, the commercial success of our business is highly dependent on the developmental and innovative breakthroughs of our design division. In the event, any breach of our systems or software leads to the leaking of our designs or any inventive design techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors. Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

21. ***We do not own our registered office. Our registered office is owned by Our Promoter Group. [to add we have not received any order to vacate the same and further the lease deed is under renewal]- put it on 15.***

Our Registered office situated at Kamla Tower, Kanpur, Kanpur, Uttar Pradesh, India, 208001 is not owned by us. The registered office is owned by certain members of Promoter Group and we have not entered into any Leave and License or Rent Agreement for use of such premise as our Registered Office. Further, as we have not entered into Leave and License, we cannot assure you that we will be able to enter into the above arrangement on commercially acceptable/ favourable terms in the future and may be asked to vacate the premises forthwith. If we are required to vacate the registered office, we would be required to make alternative arrangements for the new office and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable or favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or might have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

22. ***We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.***

Our Company seeks to grow its market reach domestically (itself or through its group entities) to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to the changing customers' taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, expansion into new international markets is important to our long-term prospects. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. International markets require a very high standard of quality of products and our Company might not be able to match the international standards thereby failing to make a brand presence in the international markets. If we are unable to make long-lasting relations with the major customers in the overseas market or if we are unable to justify the quality of our products to them, it may make it difficult for us to enter into such markets. These and other risks, which we do not foresee at present, could adversely affect any international expansion or growth, which might have an adverse effect on our business, results of operations and financial condition.

23. ***We are dependent on third party transportation providers for delivery of raw materials to us/ our Subsidiaries from our suppliers and delivery of our products to our customers. We have not entered into any formal contracts with our transport providers and any failure on part of such service providers to meet their obligations may adversely affect our business, financial condition and results of operation.***

To ensure smooth functioning of our manufacturing operations (through our subsidiaries and associate companies), we need to maintain continuous supply and transportation of the raw materials required from the supplier to manufacturing units or warehouses and transportation of our products from these units or warehouses to the customers, which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials and delivery of our products to the customers. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products is likely to have an adverse effect on supplies and deliveries to and from the customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in a timely, efficient and reliable manner may adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long-term agreements with the transporters for any of the manufacturing units and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfil their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not able to prosecute the agencies due to lack of formal agreements. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which might adversely affect our business, results of operations and financial condition.

24. We sell our products in competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.

We face competition in our business from international, local as well as nationwide players in our industry. The products that we manufacture are available in market from a large number of players manufacturing same or similar products. Thus, factors affecting our competitive success include, amongst other things, price, demand for our products, and availability of raw materials, brand recognition and reliability. As a result, to remain competitive in our market, we must continuously strive to reduce our procurement, transportation and distribution costs, improve our operating efficiencies and secure our materials requirements. If we fail to do so, other manufacturers and suppliers or wholesalers of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations. Our competitors vary in size, and may have greater financial, production, marketing personnel and other resources than us and certain of our competitors have a longer history of established business and reputation in the Indian market as compared with us. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

25. We have significant power requirements for continuous running of the manufacturing units. 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.

All the manufacturing/production units which we operate through our subsidiaries and associates ("our manufacturing units"), have significant electricity requirements and any interruption in power supply may temporarily disrupt our operations. Our manufacturing units get power supply from third parties. Since, we have a high-power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. We cannot assure you that we will not be forced to approach third parties power suppliers for availing power supply in addition to the amount sanctioned to us. We also cannot assure you that we will be able to avail the power supply at prices acceptable to us, or that we will be able to pass on any increase in the price of power supply to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which will negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled "Our Business Overview" on page 86.

26. Our inability to successfully implement some or all our business strategies in a timely manner or at all could

have an adverse effect on our business.

As part of our ongoing strategy, we have entered into new business segment and aim towards business growth and improvement of market position. Our strategy may not succeed due to various factors, including our limited experience in the new business segments, inability to manage operating costs, our failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our strategic partners, our failure to effectively market our new products and services or foresee challenges with respect to our business initiatives, our failure to establish and from time to time upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirements of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. Our new businesses may not perform as anticipated, requiring us to deviate from our plans for such businesses.

27. ***We are required to obtain and maintain certain governmental and regulatory licenses and permits and the failure to obtain and maintain such licenses and permits in a timely manner, or at all, may adversely affect our business and operations*.**

We have recently ventured into the business of Defense & Aerospace and other allied services and Digital Manufacturing & Advanced systems inter-alia Additive manufacturing, 3D printing, developing software products, and related technical consultancy services. Further, our newly incorporated wholly owned subsidiaries i.e. JK Defence & Aerospace Limited and JK Digital & Advance Systems Private Limited have not obtained business related approvals and are under process of applying for the requisite licenses and approvals, as may be required by it for doing its operations. Furthermore, our Associate and Step Down Subsidiary and Partnership Firm may also not have the requisite approval and licenses for undertaking their business operations. There can be no assurance that we will be able to obtain and maintain such approvals, licenses, registrations and permits. An inability to obtain or maintain such registrations and licenses in a timely manner, or at all, and comply with the prescribed conditions in connection therewith may adversely affect our ability to carry on our business and operations, and consequently our results of operations and financial condition. Any failure by our Company to renew, maintain or obtain such material permits or approvals or comply with conditions thereof may lead to imposition of penalties, or result in the interruption of our operations, suspension and revocation or permits and licenses, which may and may have a material adverse effect on our business and operations, financial condition and results of operations.

We may also be unable to fulfil the terms and conditions, subject to which such license and registration is granted. In the event we are not able to obtain such licenses and registrations, in a timely manner or at all, our business and growth strategy may be adversely impacted. There is no assurance that such license and registration will be granted to us in a timely manner or at all. The cost of procuring such licenses or the renewal of expiring licenses may be substantially higher than that estimated by us. Failure by us to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, and/or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in the interruption of our operations. We may be required to temporarily halt our operations, and face disruption to our business in the event we are unable to comply with the terms and conditions subject to which we are granted licenses, or if a regulator alleges that we have not complied with such terms and conditions.

28. ***With respect to our defence and aerospace vertical, our business largely depends and will continue to depend on contracts from the Government of India and associated entities including defence public sector undertakings and any adverse development in defence sector may adversely affect our business and operations*.**

The level of defence and aerospace spending and changes in the tax policies by the GoI in the future is difficult to predict and may be impacted by numerous factors such as the evolving nature of the national security concerns, foreign policy, domestic political environment and macroeconomic conditions. A decline or reprioritization of the Indian defence budget, reduction in orders, termination of existing contracts, delay of existing or anticipated contracts or programmes or any adverse change in the GoI's defence related policies will have a material adverse impact on our business. As few of our group entities indigenously develops and supplies critical components to key defence projects in the country, and our recently set up Wholly Owned Subsidiary JK Defence & Aerospace Limited is in process of obtaining requiste approvals, there can be no assurance that we will be awarded with defence contracts. There is no assurance that GoI Entities will engage us. Further, any adverse change in the GoI policy may lead to cancellation or slowdown of our orders and could have a material adverse effect on our business, results of operations and financial conditions.

29. Our consolidated operations depend on our ability to attract and retain employees and skilled workers. Moreover, we may be subject to labour disputes which could adversely affect our business, financial condition, results of operations and cash flows.

Our ability to remain productive, profitable and competitive and implement our planned growth initiatives depends on our ability to attract and retain skilled employees and workers. While we shall make efforts to retain key employees and to recruit new personnel to adequately meet demands in projects, the loss of a number of personnel or inability to attract additional personnel may have an adverse impact on our business, results of operation, cash flows and financial condition.

India has stringent labour legislations that protect the interests of workers, which includes legislations that set forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment of employees. For instance, in the past (particularly during the period the Company was a sick company and under the revival scheme under the SICA) the Company has faced various issues with ex-employees/ex-workers of the Company, certain contract labours and/or Employees Union) and therefore the Company is involved in various legal proceedings before various fora instituted by certain ex-employees/ex-workers of the Company, certain contract labours and/or employees union challenging the termination and retrenchment of various workers of the Company across several years and seeking compensation for such termination. Most of these legal proceedings are outstanding at various stages while some have been decided against the Company and the Company has appealed against such adverse orders before the relevant fora. We are also engaged in certain litigation relating to gratuity payment and other matters relating to erstwhile employees and union. For details, please see, "***Outstanding Litigation and Material Development***" on page 121.

We cannot assure you that we will not experience disruptions in our present business due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations.

30. There have been certain instances of non-compliance with respect to maintenance of corporate records of the Company in the past. Consequently, we may be subject to regulatory actions and penalties, if any, for any such non-compliance and our business, financial condition and reputation may be adversely affected.

Our Company endeavours to maintain the corporate record in the strict compliance with the Companies Act, Secretarial Standards and other applicable laws. However, certain minutes of the meeting of year 2021 are not maintained in the strict compliance with the secretarial standards. While no legal proceedings or regulatory action has been initiated against us in relation erroneous filings as of the date of this Draft Letter of Offer, we cannot assure you that such proceedings or regulatory actions will not be initiated against us in the future in relation to such erroneous filings. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation.

31. As the securities of our Company are listed on BSE, our Company is subject to certain obligations and reporting requirements under the SEBI LODR Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

The Equity Shares of our Company are listed on BSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI LODR Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties. There have been instances in the past wherein, our Company has failed to comply with the requirements of the SEBI LODR Regulations in a timely manner for instance, in the FY19-20, there had been a delayed submission of the Annual Report, in the FY 20-21, there was a delayed submission of related party disclosure, the Company had not obtained approval of shareholders by special resolution for the payment of annual remuneration to Mr. Partho Pratim Kar, a Non- Executive Non-Independent Director of the Company in terms of SEBI LODR Regulations for FYs 2021 and 2022, the Company has made delayed submission of Regulation 31 – Shareholding Pattern and Regulation 33 (Limited review report for the quarter ended June 30, 2022) to which the BSE had imposed fines of Rs. 2,360 and Rs. 11,800 respectively and the Company has duly paid the fines as imposed by the BSE, and delay in appointment of Independent Director of the Company on the Board of unlisted material subsidiary.

In past one year from the date of filing the Draft Letter of Offer, our Company has complied with all the filing and disclosure requirement as required under the SEBI LODR Regulations and our Company shall endeavour to comply with all obligations/reporting requirements under various regulations framed by SEBI and/or Stock Exchanges. However, there may be instances of non-disclosures/ delayed/ erroneous disclosures and/or any other violations which may be committed by us, and the same may result in imposition of penalties and other regulatory actions against our Company and/or persons in default by SEBI and/or Stock Exchanges. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

32. Our success depends upon our senior management team and skilled personnel and our ability to attract and retain such persons. Any failure to attract and retain such personnel could have an adverse impact on our business, financial conditions and result of operations.

We are highly dependent on our executive directors, our senior management, and our other key managerial personnel for our business. Attracting and retaining talented professionals is key to our business growth. Our business model is reliant on the efforts and initiatives of our senior level management and our key managerial personnel. If one or more members of our senior management team were to leave their present positions, it may be difficult to find adequate replacements and our business could be adversely affected. In this regard, we cannot assure you that we will be able to retain our skilled senior management or managerial personnel or continue to attract new talents in the future. Failure to effectively manage labour or failure to ensure availability of sufficient labour could also affect the business operations of the Company.

33. Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows.

We maintain insurance coverage in accordance with industry standards that we believe is adequate for our operation. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limit on coverage. There can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

34. Our Promoters, Directors and Key Management Personnel are interested in our Company other than reimbursement of expenses or normal remuneration or benefits.

Our Promoter, Director and Key Management Personnel are interested in our Company to the extent of being the Promoter, Director and Key Management Personnel of our Company and to the extent of their shareholding and dividends payable to them and may also be regarded as interested to the extent of, among other things such as, remuneration, sitting fee, and other perquisites, as may be applicable.

35. We are dependent on our R&D activities for our future success. If we do not successfully develop new products or continue our product portfolio expansion in a timely and cost-effective manner, our business, financial condition, cash flows and results of operations may be adversely affected.

We are dependent on our R&D activities and development of same in timely manner. Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. In addition, we intend to establish our research capabilities in order to ensure rapid product innovation. The development and commercialisation of new products are complex, time-consuming, costly and involves a high degree of business risk. We may be unable to successfully create these new products or encounter unexpected delays in the launch of these products and even if launched as planned, such products may not perform as we expect. The success of our new product offerings will depend on several factors, including our ability to properly anticipate customer needs; obtain timely regulatory approvals; establish collaborations with suppliers and customers; develop and manufacture our products in a timely and cost-effective manner through our R&D efforts; and successfully sell our products.

Additionally, some of our competitors may have greater financial, research and technological resources. They may also be in a better position to identify market trends, adapt to changes in industry and offer innovative new products. Accordingly, if we do not successfully develop new products or continue our product portfolio expansion in a timely, cost-effective manner that is attractive to our customers, our business, financial condition, cash flows and results of operations may be adversely affected.

36. We may be unable to respond to technological advances and emerging industry standards in relation to the products we manufacture and intend to manufacture.

Changes in technology may make newer plants or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities. Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. We cannot assure you that we will be able to successful in establishing and upgrading plants and equipment, implement new technologies or adapt our processing systems to emerging industry standards**.**

37. Our Company has not paid any dividends in the past three years and we may not be able to pay dividends in the future.

Our Company has not declared dividends for last three financial years and our Company may not be able to declare dividends in the future. The declaration, payment and amount of any future dividends is subject to the discretion of the Board and Shareholders, and will depend upon various factors, inter alia, our earnings, financial position, capital expenditures and availability of profits, restrictive covenants in our financing arrangements and other prevailing regulatory conditions from time to time. Any of these factors may thus restrict our ability to pay dividends in the future. If we are unable to pay dividends in the future. realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

38. The failure of a joint venture partner to perform its obligations could impose additional financial and

performance obligations resulting in reduced profits or, in some cases, significant losses from the joint venture.

Our Company has entered into various joint venture/ collaboration agreements inter-alia a collaboration agreement with Additive 3D, a partnership firm (A3D partners), dated November 02, 2022, and November 14, 2022, under which the Company will set up the entire additive manufacturing lab ("AM Lab") and meet the capital cost pertaining to the AM lab, so set up. The Company has also entered into a Joint Venture with Phillips Machine Tools India Private Limited, a subsidiary of Phillips Corporation, USA, to form and constitute a Limited Liability Partnership (LLP) under the name and style of JK-Phillips LLP pursuant to the Limited Liability Partnership Agreement dated December 20, 2023. The LLP has been formed to carry out the business of tender biding for the manufacturing industry, which shall include but not be limited to biding for tenders in relation to manufacturing, designing, and developing cutting-edge technology by producing or distributing CNC machines, lathes, hydraulic press, 3D printers, moulding machines and accessories originally produced by Phillips and other manufacturing/trading activities including after-sales services. It shall also include the Establishment and running of training center.

If our joint venture/ collaboration partners fail to perform these obligations satisfactorily, the joint venture may be unable to perform adequately or deliver its contracted services and we may be required to fulfil their part of obligation. These additional obligations could result in reduced profits or, in some cases, significant losses for us.

39. All of the shareholding of our Promoter group is not dematerialized.

Certain shares appearing in the name of our Promoter Group are in physical form and are not dematerialized. In accordance with SEBI Circular dated Nov 30, 2015, 100% of promoters and promoter group shareholding in must be dematerialised form. As on date, Company is unable to get the shares held by certain persons whose name is appearing in the promoter group in dematerialised form due to the reason stated below;

- Gaur Hari Singhania JT with Vasantlal D. Mehta & Raghubir Prasad Singhania, were holding 100 Equity shares, in capacity of Executors to the Will of Late Shri P.D. Singhania. However, all the said three Executors have passed away and the shares are yet to be distributed amongst the legal heirs of Late Shri P.D. Singhania and thus such shares are not in dematerialised form.

- 200 equity shares are held by Yadu Securities Private Limited and 100 equity shares are held by G. H. Securities Private Limited. Yadu Securities Private Limited and G. H. Securities Private Limited have been wound-up and dissolved pursuant to the order of Hon'ble High Court of Judicature at Allahabad in 2017 and the shares held by them are not dematerialized. However, as on date, their names still continue to appear in the Promoter Group in the shareholding pattern of our Company.

With respect to the above shares held in physical form, our Company in past had made exemption applications to BSE for grant of exemption from the strict compliance with SEBI Circular bearing circular no. CIR/CFD/CMD/13/2015 dated Nov 30, 2015. However, we have not received any response from BSE and no adverse action has been undertaken by BSE till date. However, we cannot assure you that an adverse order would not be passed by BSE or SEBI in this regard.

40. The formalities for transfer of title of certain of our premises may be incomplete. If our rights to these properties are challenged, we may have to vacate these premises, which may affect our business and operations.

Property records in India have not been fully computerised and are generally maintained and updated manually through physical records of all land-related documents. In certain cases, our name may not have been updated in the land records (including revenue records and mutation extracts) as owners of the land. There can be no assurance that we would be able to enforce our rights under the relevant sale deed, and any inability to do so could impair our operations. Further, certain of our premises and premises of our Wholly Owned Subsidiaries, Associates etc. are located on leased premises. Any of these lease agreements can be terminated, and any such termination could result in any of these premises being shifted or shut down. There can be no assurance that we will, in the future, be able to retain and renew the leases for the existing locations on same or similar terms, or will be able to find alternate locations for these premises on similar terms favourable to us, or at all. In addition, sale or lease agreements are required to be duly registered and adequately stamped under Indian law and if any of our property agreements are not duly registered and adequately stamped, we may face challenges in enforcing them and they may be inadmissible as evidence in a court in India subject to penalties along with the requisite stamp duty prescribed under applicable Indian law being paid.

41. If our Company does not receive the minimum subscription of 90% of the total Issue Size, the Issue may fail.

In the event our Company does not receive the minimum subscription of 90% of the total Issue Size or the subscription level falls below 90% of the total Issue Size after the Issue Closing Date on account of withdrawal of Applications or technical rejections or any other reason, our Company shall refund the entire subscription amount received within such period as may be prescribed under applicable law. Further, in the event, there is a delay in making a refund of the subscription monies, our Company shall be required to pay interest for the delayed period at such a rate prescribed under applicable law. For further details, please see "***Minimum Subscription – General Information***" beginning on page 48.

42. We may be unable to enforce our rights under some of our agreements on account of inadequate stamping and not registering the agreements or other reasons.

We regularly enter into agreements with third parties, in relation to our business, leasing of immovable properties among others. The terms, tenure and the nature of the agreements vary, depending on, amongst other things, the subject matter of the agreement and the third parties involved. Although, we duly execute our documents, some of the documents executed by us may be inadequately stamped or not registered or may not otherwise be enforceable. Such inadequately stamped or unregistered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all.

ISSUE SPECIFIC RISK

43. Our Company will not distribute the Letter of Offer, the Abridged Letter of Offer and Application Form to overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "***Issuing Materials***") to such Shareholders who have provided an address in India for the service of documents. The Issuing Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issuing Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

44. SEBI has recently, by way of circulars dated January 22, 2020, May 06, 2020, July 24, 2020, January 19, 2021 **and** ***April 22, 2021 and October 01, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

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, May 06, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, October 01, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, please refer to "***Terms of the Issue***" beginning on page 144.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master 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, 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, "[●]") 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) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

45. ***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 de-mat account to the Registrar.***

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

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

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. 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 Issue with respect to such Rights Entitlements. For details, please refer to "***Terms of the Issue***" beginning on page 144.

47. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

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

The Equity Shares that you subscribe to in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

50. There is no guarantee that our Equity Shares will be listed in a timely manner or at all, which may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

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

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

52. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

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

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

EXTERNAL RISK FACTOR

54. Adverse geopolitical conditions such as increased tensions between India and its neighbouring countries, could adversely affect our business, results of operations and financial condition.

Adverse geopolitical conditions such as increased tensions between India and its neighbouring countries, resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries including the Government of India imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of or increase in the levy of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries. For instance, the Government of India has imposed additional tariffs in the nature of countervailing duty and anti-dumping duty on a number of items imported from China. Any such measure which affects our raw material supply or reciprocal duties imposed on Indian products by China or other countries may adversely affect our results of operations and financial condition.

55. Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

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 services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. 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 margins.

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

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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

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

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

58. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our

control.

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India’s various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India’s sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

SECTION III - INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on July 9, 2023, pursuant to Section 62(1)(a) of the Companies Act and other applicable laws. The terms of the Issue, including Rights Entitlement Ratio, have been approved by a resolution passed by our Board at their meeting held on July 9, 2023, and Record Date at meeting held on [●].

The following is a summary of the Issue, and it should be read in conjunction with and is qualified in its entirety by, the information set out in the chapter titled "***Terms of the Issue***" beginning on page 144.

Particulars	Details of Equity Shares
Rights Equity Shares proposed to be issued	Up to 5,84,57,688 Equity Shares
Rights Entitlement	1 (one) Rights Equity Share for every 1 (one) fully paid-up Equity Share(s) held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹ 1/-
Issue Price per Rights Equity Shares	₹ 25/- per Rights Equity Share (including a premium of ₹ 24/-per Equity Share)
Issue Size	Upto 5,84,57,688 Equity Shares of face value of ₹1/- each for cash at a price of ₹ 25/- (including a premium of ₹ 24/-) per Rights Equity Share aggregating up to ₹ 14,614.42 Lakhs[#] *[#]Assuming full subscription, to be adjusted as per the Rights Entitlement ratio*
Equity Shares issued, subscribed and paid up prior to the Issue	5,84,57,688 Equity Shares. For details, please refer to "***Capital Structure***" beginning on page 53
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	11,69,15,376 [#] Equity Shares *[#]Assuming full subscription*
Scrip Details	**ISIN:** INE903A01025 **BSE:** 500306
ISIN for Rights Entitlements	[●]
Use of Issue Proceeds	For details, please refer to "***Objects of the Issue***" beginning on page 56.
Terms of the Issue	For details, please refer to "***Terms of the Issue***" beginning on page 144.
Terms of Payment	For details, please refer to "***Terms of the Issue***" beginning on page 144.

Issue Schedule

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

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights**	[●]
Issue Closing Date*	[●]

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

***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 Renouncees on or prior to the Issue Closing Date.*

GENERAL INFORMATION

Our Company was originally incorporated as "J.K. Investment Trust Limited" on May 17, 1943, as a public company under the provisions of the Indian Companies Act, VII of 1913 with a certificate of incorporation issued by the Registrar of Joint Stock Companies, United Provinces of Agra and Oudh on May 17, 1943. Subsequently, the name of the Company was changed to "J.K. Synthetics Limited", and a fresh Certificate of Incorporation consequent to the change of name was issued by the Registrar of Companies, Uttar Pradesh, Kanpur on May 09, 1961, under the provisions of the Companies Act, 1956. Further, the name of our Company was changed to "Jaykay Enterprises Limited" vide a fresh certificate of incorporation was issued consequent to the change of name by the Registrar of Companies, Uttar Pradesh and Uttarakhand on October 15, 2010. The Company's equity shares are presently listed on BSE Limited (BSE) bearing Scrip Code and Symbol representing '500306' and 'JAYKAY' respectively, and ISIN 'INE903A01025'. The other details of the Company are as follows:

Registered Office of our Company

Jaykay Enterprises Limited
Kamla Tower, Kanpur-208001,
Uttar Pradesh, India,
Telephone: +91 512 237 1478
Website: www.jaykayenterprises.com
E-mail: cs@jaykayenterprises.com

Corporate Identity Number: L55101UP1961PLC001187

Registration Number: 001187

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Kanpur, which is situated at the following address:

Registrar of Companies, Kanpur

37/17, Westcottt Building, The Mall,
Kanpur–208 001, Uttar Pradesh, India

Company Secretary and Compliance Officer

Mr. Yogesh Sharma is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Mr. Yogesh Sharma
Kamla Tower, Kanpur-208001,
Uttar Pradesh, India
Telephone: +91 512 237 1478
E-mail: cs@jaykayenterprises.com

Lead Manager to the Issue

Corporate Professionals Capital Private Limited
D-28, South Extension, Part I,
New Delhi - 110 049, India
Tel: +91 011 4062 2230 / 4062 2200
E-mail: mb@indiacp.com
Investor Grievance ID: mb@indiacp.com
Website: www.corporateprofessionals.com
Contact Person: Ms. Anjali Aggarwal
SEBI Registration No.: INM000011435

Legal Advisor to the Issue

Vidhigya Associates, Advocates
501, 5th Floor, Jeevan Sahakar Building
Sir P M Road, Homji Street Fort,
Mumbai - 400 001, India
Tel No: +91 84240 30160
Email: rahul@vidhigyaassociates.com
Contact Person: Mr. Rahul Pandey

Statutory Auditors of our Company

M/s P.L. Tandon & Company, Chartered Accountants
37/17, Westcott Building, Mahatma Gandhi Road
P.O. Box No.113, Kanpur – 208 001, Uttar Pradesh, India
Telephone: +91 0512-236 6774, 94154 33040
E-mail: pltandon1957@rediffmail.com / office@pltandon.com
Peer review certificate no.: 014211
Firm registration number: 000186C

Registrar to the Issue

Alankit Assignments Limited
Alankit House, 4E/2, Jhandewalan
Extension, New Delhi-110055, India
Tel: +91 11 4254 1966
Fax: +91 11 2355 2001
E-mail: jaykayerights@alankitassignments.com
Investor Grievance ID: jaykayerights@alankitassignments.com
Website: www.alankit.com
Contact Person: Ms. Neeti
SEBI Registration No.: INR000002532
Website URL: https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10

Investors may contact the Registrar to the Issue 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 to the Issue, with a copy to the SCSB, 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 Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Form, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see "***Terms of the Issue - Making of an Application through the ASBA process***" on page 147.

Banker(s) to the Issue

ICICI Bank Limited
Capital Market Division, 5th Floor
HT Parekh Marg, Churchgate
Mumbai-400020, India
Tel: 022-68052182
E-mail: ipocmg@icicibank.com
Investor Grievance ID: ipocmg@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Varun Badai
SEBI Registration No.: INBI00000004

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA Process is provided on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 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.

Experts

Our Company has received consent from its Statutory Auditors, M/s. P.L. Tandon & Co, Chartered Accountants through their letter dated October 18, 2023, to include their name as required under Section 26(1) of the Companies Act, 2013 in this Draft Letter of Offer and as an "**expert**" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as the Statutory Auditors and in respect of their: (i) audit report dated May 29, 2023, relating to the audited Ind AS financial statements as at and for the year ended March 31, 2023, and (ii) limited review report dated November 07, 2023. Such consent has not been withdrawn as at the date of this Draft Letter of Offer. However, the terms "**expert**" and "**consent**" shall not be construed to mean an "**expert**" or "**consent**" as defined under the U.S. Securities Act.

Issue Schedule

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

#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 Renouncees on or prior to the Issue Closing Date.
**Our Board, or a duly authorized committee thereof, will have the right to extend the Issue Period as it may determine from time to time 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.*

The above schedule is indicative and does not constitute any obligation to our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date have not provided details of their demat accounts to our Company or to the Registrar to the issue, they must 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., [●] to enable credit of the Rights Entitlements to their respective demat accounts by transfer from the demat suspense escrow account to their respective demat accounts, which will happen one day prior to the Issue Closing Date, i.e., [●]. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar at www.alankit.com. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements are credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. It is encouraged that the Application Forms are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to "***Terms of the Issue - Procedure for Application***" beginning on page 148.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder may be accessed by such respective Eligible Equity Shareholder on the website of the Registrar at www.alankit.com after keying in their respective details along with other security control measures implemented thereat. For further details, please refer to "***Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" beginning on page 147.

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

Inter-se allocation of responsibilities

Since only one lead manager i.e., Corporate Professionals Capital Private Limited has been appointed for the purpose of the Issue, there is no requirement for an inter-se allocation of responsibilities.

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustees

This is an issue of Equity Shares; the appointment of Debenture trustees is, therefore, not required.

Monitoring Agency

Our Company will appoint the Monitoring Agency, to monitor the utilization of the Net Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

Underwriting Agreement

This Issue will not be underwritten and our Company has, therefore, not entered into an underwriting arrangement.

Minimum Subscription

The objects of the Issue involve; (i). investment in its Wholly Owned Subsidiary JK Defence & Aerospace Limited; (ii) investment in its Wholly Owned Subsidiary JK Digital & Advance Systems Private Limited; and (iii). General Corporate Purposes.

Since, the objects of the proposed issue involve investment in wholly owned subsidiaries for creation of their capacity and capability to undertake their respective business, the minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply. Therefore, in accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

Appraising Entity

The objects of this Issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

Filing

This Draft Letter of Offer has been filed with SEBI for its observations, at SEBI Bhavan, NBCC Complex, Office Tower-1, 8th Floor, Plate B, East Kidwai Nagar, New Delhi - 110023 and through the SEBI intermediary portal at siportal.sebi.gov.in in terms of the SEBI Master circular bearing reference no. SEBI/HO/CFD/PoD-2/P/CIR/ 2023/00094 dated June 21, 2023, and with the Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, our Company has submitted a copy of this Draft Letter of Offer to the e-mail address :

cfddil@sebi.gov.in . After SEBI gives its observations, the Letter of Offer will be filed with SEBI and the Stock Exchanges per the provisions of the SEBI ICDR Regulations.

CAPITAL STRUCTURE

The share capital of our Company, as at the date of this Draft Letter of Offer, and details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

(in ₹, except shares data)

		Aggregate value at Face Value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	1,25,00,00,000 Equity Shares of ₹1 each;	1,25,00,00,000	NA
	2,00,000 11% Cumulative Redeemable Preference Shares of ₹100 each;	2,00,00,000	
	6,00,000 14% Cumulative Redeemable Preference Shares of ₹100 each;	6,00,00,000	
	2,00,000 15% Cumulative Redeemable Preference Shares of ₹100 each; and	2,00,00,000	
	5,00,000 Unclassified Shares of ₹100 each	5,00,00,000	
	TOTAL	**1,40,00,00,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	5,84,57,688 Equity Shares of ₹1 each	5,84,57,688	NA
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER**(1)		
	Up to 5,84,57,688 Equity Shares having a face value of ₹ 1, each (at a premium of ₹24 per Equity Share, i.e., at a price of ₹25 per Equity Share)	5,84,57,688	1,46,14,42,200
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	11,69,15,376 Equity Shares of ₹1 each, fully paid up *(1)(2)*	11,69,15,376	NA
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		52,13,19,574.00
	After the Issue*(2)*		*[●]*

(1) The Issue has been authorized by our Board pursuant *to a resolution dated July 09, 2023. The terms of the Issue, including Rights Entitlement Ratio, have been approved by a resolution passed by our Board at their meeting held on July 9, 2023, and Record Date at meeting held on [●].*

(2) Assuming full subscription for, and Allotment of, the Equity Shares. Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

Notes to the Capital Structure

1. Intention and extent of participation by our Promoter and Promoter Group in the Issue:.

Mr. Abhishek Singhania, our Promoter on behalf of the Promoter and Promoter Group* vide his letter dated January 17, 2024 ("Subscription Letter"), have indicated his and the promoter group's intention to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and have also confirmed that they shall not renounce their Rights Entitlement (except to the extent of any Rights Entitlement renounced by any of them in favour of any other Promoter or member of the Promoter Group of our Company).

Further, they reserve the right to apply for, and subscribe to, additional Rights Securities, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoter and our Promoter Group, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations.

****Note: Excluding 3(three) entities namely, 1.) Yadu Securities Private Limited (holding 200 shares) and 2.) G. H. Securities Private Limited (holding 100 shares) who have been wound up and dissolved* *pursuant to the order of Hon'ble High Court of Judicature at Allahabad in 2017; and* ***3.)*** *Gaur Hari Singhania Jt With Vasantlal D. Mehta & Raghubir Prasad Singhania, holding 100 Equity shares, in the capacity of Executors to the Will of Late Shri P.D. Singhania. However, since all three Executors have passed away, the shares are yet to be distributed amongst the legal heirs of Late Shri P.D. Singhania*. Please see **Risk Factor – "All of the shareholding of our Promoter group is not dematerialized" on page 40.**

2. The ex-rights price of the Equity Shares offered pursuant to this Issue in compliance with the provisions of Regulation 10(4)(b) of the Takeover Regulations is ₹ 40.40/- per Equity Share.

3. Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:

(i) The shareholding pattern of our Company, as on December 31, 2023, may be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/jaykay-enterprises-ltd/jaykay/500306/shareholding-pattern*.

(ii) A statement as on December 31, 2023, showing holding of Equity Shares of persons belonging to the category of "Promoter and Promoter Group", including details of lock-in, pledge and encumbrance thereon, may be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=500306&qtrid=120.00&QtrName=December%202023*

(iii) A statement as on December 31, 2023, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=500306&qtrid=120.00&QtrName=December%202023 .

* *Eligible Equity Shareholders to take note of the following;*

- *100 equity shares are held in the name of Gaur Hari Singhania jointly with Vasantlal D. Mehta and Raghubir Prasad Singhania in their capacity of executors to the will of Late Shri P. D. Singhania, our erstwhile promoter. However, all the said three Executors have passed away and therefore, the said shares could not be distributed amongst the legal heir of Shri P.D. Singhania and thus the name of the executors are appearing under promoter group category and such shares are not dematerialized.200 equity shares are held by Yadu Securities Private Limited and 100 equity shares are held by G. H. Securities Private Limited. Yadu Securities Private Limited and G. H. Securities Private Limited have been wound-up and dissolved pursuant to the order of Hon'ble High Court of Judicature at Allahabad in 2017 and the shares held by them are not dematerialized. However, as on date, their names still continue to appear in the Promoter Group in the shareholding pattern of our Company.*
- *With respect to the above shares held in physical form, our Company made an exemption application dated January 14, 2016, and May 4, 2017 to BSE for grant of exemption from the strict compliance with SEBI Circular bearing circular no. CIR/CFD/CMD/13/2015 dated Nov 30, 2015.which requires that 100% of shareholding of promoter/promoter group shall be in dematerialized form. Please see Risk Factor – "All of the shareholding of our Promoter group is not dematerialized" on page 144.*

4. Details of shares locked-in, pledged, encumbrance by Promoter and Promoter Group:

The details of shares locked-in, pledged and encumbered by the Promoter and Promoter Group may be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=500306&qtrid=120.00&QtrName=December%202023*

**As on December 31, 2023, 2,13,22,936 Equity Shares constituting 64.80% of total shareholding of Promoter and Promoter Group are under lock-in under the statutory provision of lock in required under the preferential allotment made by the Company in term of SEBI ICDR Regulation.*

5. Our Company shall ensure that any transaction in the Equity Shares by the Promoter and the Promoter Group during the period between the date of filing this Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

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

7. Details of specified securities acquired by our Promoter and Promoter Group in the last one year immediately preceding the date of filing of the Draft Letter of Offer

Except as stated below, neither of our Promoter nor our Promoter Group have acquired any securities in the last one year, immediately preceding the date of filing of this Draft Letter of Offer:

Name of the Promoter/Promoter Group	Date of Allotment	No. of Equity Shares acquired/sold	Issue Price of Warrants (in ₹)	Value (in ₹)	Nature of Transaction
Abhishek Singhania	June 26, 2023	49,05,940	65	31,88,86,100	Allotment of Equity shares pursuant to conversion of 49,05,940 Warrants allotted on preferential basis on June 11, 2022 vide Shareholders approval dated May 7, 2022
Pioneer Projects Limited	June 26, 2023	10,83,390	65	7,04,20,350	Allotment of Equity shares pursuant to conversion of 10,83,390 Warrants allotted on preferential basis on June 11, 2022 vide Shareholders approval dated May 7, 2022

8. Details of outstanding securities of our Company

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Rights Issue shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "***Terms of the Issue***" on page 144.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from this Issue towards the following:

1. Investment in its Wholly Owned Subsidiary JK Defence & Aerospace Limited.
2. Investment in its Wholly Owned Subsidiary JK Digital & Advance Systems Private Limited.
3. General Corporate Purposes.

(collectively, referred to hereinafter as the "***Objects***")

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable the Company to undertake its existing activities and the activities for which the funds are being raised by the Company through this Issue. The main objects clause of the respective memorandum of association of the Wholly Owned Subsidiaries (as identified above) enables each of them (i) to undertake its existing business activities; and (ii) to undertake activities for which the funds are being raised by us in this Issue and are proposed to be funded from the Net Proceeds.

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

(₹ in lakhs)

Particulars	**Amount(#)**
Gross Proceeds from this Issue*	14,614.42
Less: Estimated Issue related expenses	[●]
Total Net Proceeds*	[●]

*** Assuming full subscription and Allotment with respect to the Rights Equity Shares.*
#Rounded off to two decimal places.

Requirement of funds and utilization of Net Proceeds
The proposed utilization of the Net Proceeds is set forth in the table below:

(₹ in lakhs)

Particulars	**Amount(#)**
Investment in its Wholly Owned Subsidiary JK Defence & Aerospace Limited.	9,000.00
Investment in its Wholly Owned Subsidiary JK Digital & Advance Systems Private Limited	4,800.00
General corporate purposes*	[●]
Total Net Proceeds	[●]

**Subject to finalization of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
#Rounded off to two decimal places.

Utilization of Net Proceeds and Schedule of Implementation and Deployment

The Net Proceeds are proposed to be deployed in accordance with the schedule set forth below:

(₹ in lakhs)

Particulars	Amount proposed to be funded from Net Proceeds at Application#	Proposed schedule for deployment of the Net Proceeds at Application#		
		Fiscal 2024	Fiscal 2025@	Fiscal 2026
Investment in its Wholly Owned Subsidiary JK Defence & Aerospace Limited	9,000.00	-	9,000.00	-
Investment in its Wholly Owned Subsidiary JK Digital & Advance Systems Private Limited	4,800.00	-	4,800.00	-
General corporate purposes*	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

#*Rounded off to two decimal places.*

* *The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds*

@ *The deployment schedule is of the fund infusion in Wholly Owned Subsidiaries as mentioned above. These funds will be deployed by our Wolly Owned Subsidiaries, in phased manner, as per the requirements arises.*

The Company has received the Deployment Funds Certificate dated January 25, 2024 from M/s. P.L. Tandon & Company, Chartered Accountants. The certificate states that the Company has deployed amounts aggregating Rs. 7 Lakh (excluding GST) towards this Issue's expenses, till the date of this Draft Letter of Offer.

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution, or any other external agency. For more details, please refer the Risk Factors mentioned at Page No. 24.

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution, or any other external agency. For more details, please see "***Risk Factors***" on page 24.

The funding requirements are based on current business scenario and industry trends. We may have to revise our funding requirements and deployment on account of a variety of factors, including such as our financial condition, business strategy and certain external factors such as market conditions, competitive environment, interest rate fluctuations and other similar factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, at the discretion of our management, subject to compliance with the applicable laws. For further information on factors that may affect our internal management estimates, please see "**Risk Factors** ***-Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilise the proceeds from this Issue in a timely manner or at all*** " on page 29.

Subject to applicable laws, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue in accordance with SEBI ICDR Regulations. In the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

We intend to finance the abovementioned objects from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals in terms of the provisions of the SEBI ICDR Regulations.

DETAILS OF THE OBJECTS OF THIS ISSUE

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

1. Investment in its Wholly Owned Subsidiary JK Defence & Aerospace Limited.

Brief about JK Defence & Aerospace Limited

JK Defence & Aerospace Limited, a wholly owned subsidiary of Jaykay was incorporated on July 03, 2023 vide Corporate Information Number: U26515DL2023PLC416434 having its registered office at 4th Floor JK Building, A-2 Local Shopping Centre, Masjid Moth, South Delhi, New Delhi-110048, India, with the object of engaging in the manufacturing of precision-turned components and all types of engineering goods for the defence, aerospace, and other allied industries including trade and dealing in all kinds of products related to Defence and Aerospace equipment. Its authorized share capital is ₹1,00,000 and its paid-up capital is ₹50,000. For detailed information of JK Defence & Aerospace Limited please see chapter titled "Our Business" on page 86.

Details of the form of investment

The Company intends to infuse funds of upto ₹ 9,000 Lakh into JK Defence & Aerospace Limited (JKDAL). The form of infusion of such amount allocated for this object may be, by way of equity shares, convertible securities, debt or any other instrument or any combination thereof or through any other manner, which shall be decided by our Board in compliance with applicable law after considering certain commercial and financial factors.

Commercial Substance

JKDAL is a Wholly Owned Subsidiary of the Company. The Company intends to infuse funds in JKDAL to enable it to purchase Land and Plant & Machinery to create capacity and capability for manufacturing of Defence and Aerospace components and sub-systems. These funds will be utilised in following manner:

#	Particulars	Basis	Amount in Lakh
1	Purchase of Plant & Machinery	Quotations Received from Vendors (Note 1)	1,547.33
2	Purchase of Land & Building	Management Estimation (Note 2)	1,762.50
3	Repayment of Loan	Chartered Accountant Certificate (Note 3)	3,300.00
4	Working Capital	Management Estimation (Note 2)	902.67

5	Other Miscellaneous (including but not limited to pre-liminary regulatory expenses, staffing, marketing etc.)	Management Estimation (Note 2)	1,487.50
Total			**9,000.00**

Note :

1. Estimate of Cost of Plant and Machinery to be purchased in JK Defence & Aerospace Limited:

Particulars	Quantity	Name of Supplier	Date of Quotation Letter	Amount in Lakh
Takumi Linear Motor – Moving Table High Speed 5 - Axis Machining Centre MODEL: UBL2020 2000X2000X1000	1	Ray Mechatronics and Machinery Pvt. Ltd.	January 03, 2024	496.61
Takumi Linear Motor – Moving Table High Speed 5 - Axis Machining Centre MODEL: UBL2030 3000X2000X1000	1	Ray Mechatronics and Machinery Pvt. Ltd.	January 03, 2024	514.11
Takumi Linear Motor – Moving Table High Speed 5 - Axis Machining Centre MODEL: UBL2340- 4000X 2300 X1000MM	1	Ray Mechatronics and Machinery Pvt. Ltd.	January 03, 2024	536.61
Total				**1,547.33**

The cost of machinery as given above has been arrived on the basis of quotations received from the vendor. The Company is trying to get quotations from other vendors as well.

We have considered Forex Exchange Rate dated January 03, 2024.

2. The Company is proposing to buy land of an appx. size of 3 Acres, in the city of Bengaluru. However, the matter is at a discussion stage and being sensitive at this stage, no details have been provided with respect to the prospective seller(s). Further, the allocation of Rs.1,762.50 Lakh, Rs. 902.67 Lakh and Rs. 1,487.50 Lakh towards Purchase of Land & Building, Working Capital and Other Miscellaneous (including but not limited to preliminary regulatory expenses, staffing, marketing etc.), out of total Rs. 9,000 Lakh, as planned for infusion in JK Defence & Aerospace Limited by us, is on estimation basis by the management of the Company, considering the growth prospects of Defence & Aerospace industry.

3. M/s P.L. Tandon & Company, Chartered Accountant has confirmed that Rs. 3,300 lakh is outstanding as loan in the books of JK Defence & Aerospace Limited, vide its certificate dated January 25, 2024.

2. Investment in its Wholly Owned Subsidiary JK Digital & Advance Systems Private Limited.

Brief about JK Digital & Advance Systems Private Limited

JK Digital & Advance Systems Private Limited (JK Digital) is a private company incorporated on July 27, 2023, vide Corporate Information Number: U26204DL2023PTC417784 having its registered office at 4th Floor JK Building, A-2 Local Shopping Centre, Masjid Moth, South Delhi, New Delhi-110048, India. It is classified as a Non-Government Company and is registered at Registrar of Companies, Delhi. Its authorized share capital is ₹1,00,000 and its paid-up capital is ₹50,000. It's into business of Digital and Technical Consultancy Services, 3D Scanning using Laser and White Light Technology, creating Software Engineering Lab for gaining deep insight into the field of software technology, design, development and marketing of software products for 3D, 3D Contact, and Non-Contact Measurement using Hard Probe, Coordinate Measuring Machine (CMM) and Laser Technology, Reverse Engineering, Computer-aided design work, engineering design, and manufacturing services, 3D printing for prototyping and low volume manufacturing and activities relating to software development for any industry. For detailed information of JK Digital & Advance Systems Private Limited please see "***Our Business***" on page no. 86 of this Draft Letter of Offer.

Details of the form of investment

JK Digital is a Wholly Owned Subsidiary of the Company. The Company intends to infuse funds of upto ₹4,800 Lakh into JK Digital. The form of infusion of such amount allocated for this object may be, by way of equity shares, convertible securities, debt or any other instrument or any combination thereof or through any other manner, which shall be decided by our Board in compliance with applicable law after considering certain commercial and financial factors.

Commercial Substance

The Company intends to infuse funds in JK Digital to enable it to create capacity and capability of business of Digital and Technical Consultancy Services, 3D Scanning & related activities in Additive Manufacturing, Commission Software Engineering Lab for gaining deep insight into the field of software technology, Design, develop and market software products for 3D, Manufacturing Products through 3D printing for itself or on contract manufacturing basis, Manufacture of 3D Printers and related products and activities relating to software development for any industry. These funds will be utilised in following manner:

#	Particulars	Basis	Amount in Lakh
1	Purchase of Plant & Machinery	Quotations Received from Vendors (Note 1)	3,600.00
2	Establishment of Center of Excellence and Other Miscellaneous (including but not limited to pre-liminary regulatory expenses, staffing, marketing etc.)	Management Estimation (Note 2)	200.00
3	Installation & Accessories	Management Estimation (Note 2)	1,000.00
Total			**4,800.00**

Note :

1. **Estimate of Cost of Plant and Machinery to be purchased in JK Digital & Advance Systems Private Limited:**

Particulars	Quantity	Name of Supplier	Date of Quotation	Amount in Lakh
EOS M300 machines with accessories	2	Additive 3D, Bangaluru	January 12, 2024	2,400.00
EOS M400-4 machines with accessories	1			1,200.00

Total	**3,600.00***

*Excluding Taxes

2. The Company proposes to establish center of excellence (CoE) (which refers to proposed 3D Printing facilities that will provide best practices, research and support for 3D printing sector. The literal meaning of a Center of Excellence is – 'A place where the highest standards are maintained.'), We propose to establish these facilities in Bangaluru. We plan to acquire space of appx. 20,000 Square Feet. The Company proposes to acquire this land in Karnataka. It is to be noted that the allocation of Rs.200 Lakh and Rs.1,000 Lakh towards Establishment of Center of Excellence and Other Miscellaneous (including but not limited to pre-liminary regulatory expenses, staffing, marketing etc.), out of total Rs. 4,800 Lakh, as planned for infusion in JK Digital by us, is on estimation basis by the management of the Company, considering the growth prospects of Digital & Advance Systems industry. These estimations are neither appraised by any agency nor has our management even procured any expert report/opinion on same.

3. General corporate purposes

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; through itself or through investments in subsidiaries, Joint Ventures or strategic stakes in entities in similar lines of business (b) meeting any expenses incurred in the ordinary course of business by our Company and its Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, vendor payments and payment of taxes and duties; (c) meeting our working capital requirements including payment of interest on borrowings; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses; and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Strategic or Financial Partners

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

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

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

Monitoring of utilization of funds

Our Company will appoint Monitoring Agency for the Issue before filing of the Letter of Offer to monitor the utilization of the Net Proceeds. The Monitoring Agency shall submit a report to our Board, till 100% of the Net Proceeds has been utilised, as required under Regulation 82 of the SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. Further, pursuant to Regulation 32(5) of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor of our Company, which shall be submitted by our Company with the Monitoring Agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Director's report, after placing it before the Audit Committee**.**

Estimated Issue related expenses:

The total expenses of the Issue are estimated to be ₹ [●] lakhs. The break-up of the Issue expenses is as follows:

(Unless otherwise specified, in ₹ lakhs)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fee to the legal advisors, other professional service providers and Registrar to the Issue	[●]	[●]	[●]
2.	Advertising, marketing expenses, shareholder outreach, etc.	[●]	[●]	[●]
3.	Fees payable to regulators, including depositories, Stock Exchanges and SEBI	[●]	[●]	[●]
4.	Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
	Total estimated Issue related expenses	[●]	[●]	[●]

Note: Subject to finalization of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

Interest of Promoters, Promoter Group and Directors, as applicable to the objects of the Issue

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter Group, Directors, Key Managerial Personnel of our Company, except in the normal course of business. Our Promoters, our Promoter Group and our Directors do not have any interest in the objects of the Issue, and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Promoter Group, Directors, Key Managerial Personnel, Senior Management or associate companies (as defined under the Companies Act, 2013. Our Company does not require any material government and regulatory approvals in relation to the objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors,
JAYKAY ENTERPRISES LIMITED
Kamla Tower, Kanpur, Uttar Pradesh-208001, India

Subject: Report on the statement of possible special tax benefits ("the Statement") available to Jaykay Enterprises Limited ("Company"), its subsidiaries and its shareholders, prepared in accordance with the requirement under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations").

1. The accompanying Statement of Special Tax Benefits available to the Company, its subsidiaries and its Shareholders (hereinafter referred to as "**the Statement**") under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 (hereinafter referred to as " **IT Act**"), and the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) (collectively referred as "**Indirect Tax Regulations**") as on the signing date, for inclusion in the Draft Letter of Offer and Letter of offer ("**Offer Document**") prepared in connection with the Offer, has been prepared by the management of the Company in connection with the Offer, which we have initialed for identification purposes.

Management's Responsibility

2. The preparation of this Statement as on the date of our report which is to be included in the Offer Document is the responsibility of the management of the Company, for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

3. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "**ICAI**"). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

4. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "**SEBI ICDR Regulations**") and the Companies Act 2013 ("**Act**"), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders, in accordance with the Act as at the date of our report.

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

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Offer.

Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying Statement 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 or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the special tax benefits available to the Company and its shareholders, in accordance with the Act as at the date of our report.

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

(i) The Company, its subsidiaries or its shareholders will continue to obtain the benefits per the Statement in future; or

(ii) The conditions prescribed for availing the benefits as per the Statement have been/would be met with.

Restriction on Use

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, and the concerned stock exchanges.

For P.L Tandon and Co.
Chartered Accountants
ICAI Firm Registration Number: 000186C

Name: P.P Singh
Designation: Partner
Membership Number: 072754
UDIN: 24072754BKCRVW7011

Place: Kanpur
Date: January 24, 2024

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO JAYKAY ENTERPRISES LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Act applicable for the Financial Year 2023-2024. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act.

I. Under the Income-tax Act, 1961 (the IT Act)

A. Special tax benefits available to the Company under the IT Act.

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

B. Special tax benefits available to the shareholders.

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

II. Indirect tax (Indirect tax regulations)

The Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) (collectively referred as "Indirect Tax Regulations")

A. Special tax benefits available to the Company.

1. Benefits available to the company under the Integrated Goods and Services Tax Act 2017 (IGST Act):

Under the IGST Act, all supplies of goods and services which qualify as export of goods or services are zero-rated, that is, these transactions attract a GST rate of zero percent.

On account of zero rating of supplies, the supplier will be entitled to claim input tax credit in respect of goods or services used for such supplies and can seek refund of accumulated/unutilized ITC.

There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/LUT as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated tax and claim refund thereof as per the provisions of Section 54 of CGST Act, 2017.

The Company provides export of services under Bond/LUT as zero-rated supply and can claim refund of the Input Tax on inward supplies.

B. Special tax benefits available to shareholders of the Company under indirect tax regulations in India

The shareholders of the Company are not eligible to any special tax benefits under Indirect Tax Regulations

Notes:

1. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:

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

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

SECTION IV - ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness, and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts, and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

GLOBAL OUTLOOK

Summary of World Economic Outlook

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine remains slow and uneven. Despite economic resilience earlier this year, with a reopening rebound and progress in reducing inflation from last year's peaks, it is too soon to take comfort. Economic activity still falls short of its prepandemic path, especially in emerging market and developing economies, and there are widening divergences among regions. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, the war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical in nature, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. The projections remain below the historical (2000–19) average of 3.8 percent, and the forecast for 2024 is down by 0.1 percentage point from the July 2023 Update to the World Economic Outlook. For advanced economies, the expected slowdown is from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024, amid stronger-than-expected US momentum but weaker-than-expected growth in the euro area. Emerging market and developing economies are projected to have growth modestly decline, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, with a downward revision of 0.1 percentage point in 2024, reflecting the property sector crisis in China. Forecasts for global growth over the medium term, at 3.1 percent, are at their lowest in decades, and prospects for countries to catch up to higher living standards are weak. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024. But the forecasts for 2023 and 2024 are revised up by 0.1 percentage point and 0.6 percentage point, respectively, and inflation is not expected to return to target until 2025 in most cases.

Risks to the outlook are more balanced than they were six months ago, on account of the resolution of US debt ceiling tensions and Swiss and US authorities' having acted decisively to contain financial turbulence. The likelihood of a hard landing has receded, but the balance of risks to global growth remains tilted to the downside. China's property sector crisis could deepen, with global spillovers, particularly for commodity exporters. Elsewhere, near-term inflation expectations have risen and could contribute—along with tight labor markets—to core inflation pressures persisting and requiring higher policy rates than expected. More climate and geopolitical shocks could cause additional food and energy price spikes. As, intensifying geoeconomic fragmentation could constrain the flow of commodities across markets, causing additional price volatility and complicating the green transition. Amid rising debt service costs, more than half of low-income developing countries are in or at high risk of debt distress. There is little margin for error on the policy front. Central banks need to restore price stability while using policy tools to relieve potential financial stress when needed. Effective monetary policy frameworks and communication are vital for anchoring expectations and minimizing the output costs of disinflation. Fiscal policymakers should rebuild budgetary room for maneuver and withdraw untargeted measures while protecting the vulnerable. Reforms to reduce structural impediments to growth—by, among other things, encouraging labor market participation—would smooth the decline of inflation to target and facilitate debt reduction. Faster and more efficient multilateral coordination is needed on debt resolution to avoid debt distress. Cooperation is needed as well to mitigate the effects of climate change and speed the green transition, including by ensuring steady cross-border flows of the necessary minerals.

(Source: World Economic Outlook-Navigating Global Divergences-October 2023)

INDIAN ECONOMY

Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices in the second quarter of 2022–23 is estimated at US$ 1.94 trillion (Rs. 160.06 trillion), showing a growth of 7.2% as compared to the First Revised Estimates of GDP for the year 2021-22 of US$ 1.81 trillion (Rs. 149.26 trillion), indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In FY22, India’s service exports stood at US$ 254.4 billion. Furthermore, India’s overall exports (services and merchandise) was estimated at US$ 770.18 billion in FY23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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

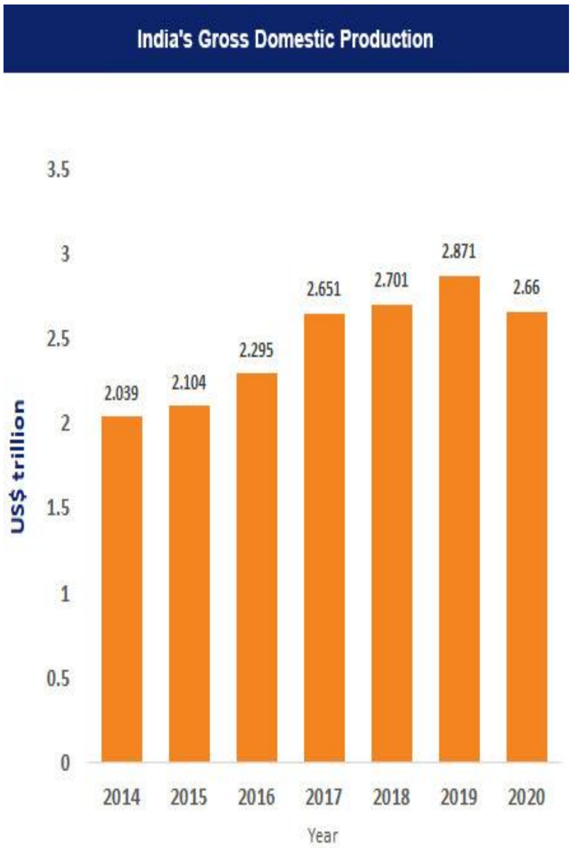
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Market Size

India’s nominal GDP at current prices is estimated to be at US$ 3.31 trillion (Rs. 272.41 trillion) in FY22. Additionally, the Nominal GDP at current prices in Q3 of 2022-23 was US$ 874.84 billion (Rs. 71.82 trillion), as against US$ 792.3 billion (Rs. 65.05 trillion) in 2021-22, estimating a growth of 10.4%. With 115 unicorns valued at more than US$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, ‘Panchamrit’. Moreover, India ranked 3rd in the renewable energy country attractive index.

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 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 US$ 1.3 billion, 0.2% of GDP in the fourth quarter of FY23.



Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US$ 1 trillion by 2030.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the COVID-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritize lowering inequality while also putting growth-oriented policies into place to boost the economy. Because of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below:

- As of January 6, 2023, India's foreign exchange reserves stood at US$ 561,583 million.
- 1,261 deals were recorded of more than US$ 46 billion of Private Equity (PE) – Venture Capitalist (VC) investments in 2022. 111 mega transactions (rounds of US$ 100 million or more) totaling US$ 31 billion were completed in 2022.
- Merchandise exports in March 2023 stood at US$ 38.38 billion, with total merchandise exports of US$ 447.46 billion during the period of April-March 2023. The overall exports (merchandise and service exports) in 2022-23 was estimated at US$ 770.18, exhibiting a positive growth of 13.84%.
- India ranks 3rd position in the global number of scientific publications further improving India's Global Innovation Index (GII) rank from 81st in 2014 to 40th in 2022.
- PMI Services remained comfortably in the expansionary zone at 57.8 in the month of June 2023.
- In June 2023, the gross Goods and Services Tax (GST) revenue collection stood at US$ 19.63 billion (Rs.1,61,497 crore), of which CGST is US$ 3.77 billion (Rs. 31,013 crore), SGST is US$ 4.65 billion (Rs. 38,292 crore), IGST is US$ 9.76 billion (Rs. 80,292 crore).
- Between April 2000 – March 2023, cumulative FDI equity inflows to India stood at US$ 9919.63 billion.
- In May 2023, the overall IIP (Index of Industrial Production) stood at 145. The Indices of Industrial Production for the mining, manufacturing, and electricity sectors stood at 128.1, 142.3, and 201.6, respectively, in May 2023.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 4.81% in June 2023.
- In FY23, the Foreign Portfolio Investment (FPI) outflows stood at US$ 14.81 billion (Rs. 1.21 trillion). As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crore (US$ 2.67 billion) in India

during the first week of July 2023.

Road Ahead

In the second quarter of FY23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, 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 June 2023 (Provisional), CPI-C inflation was 4.81%, 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)

DEFENCE MANUFACTURING INDUSTRY

Introduction

India is one of the strongest military forces in the world and holds a place of strategic importance for the Indian government. The top three largest market segments of the Indian defense sector are military fixed wing, naval vessels and surface combatants, and missiles and missile defense systems. Military rotorcraft, submarines, artillery, tactical communications, electronic warfare, and military land vehicles are some of the other well-known segments. Some of the major defense manufacturing companies in India are Bharat Earth Movers Ltd. (BEML), Bharat Electronics Ltd. (BEL), and Hindustan Aeronautics Ltd. (HAL).

The Indian defense manufacturing industry is a significant sector of the economy. The industry is likely to accelerate with rising concerns of national security. Demand for defense equipment in India has been growing due to the ongoing territorial disputes with Pakistan and China over the ownership of the Northern State of Kashmir and the North Eastern State of Arunachal Pradesh, respectively. Over the last five years, India has been ranked among the top importers of defense equipment to gain technological advantages over rival countries such as China and Pakistan. To modernize its armed forces and reduce dependency over external dependence for defense procurement, several initiatives have been taken by the government to encourage 'Make in India' activities via policy support initiatives.

India has the world's third-largest defence expenditure, as of 2021, and expects to export equipment worth US$ 15 billion by 2026.

As per the Union Budget 2022-23, 25% of defense R&D budget has been earmarked for private industry and start-ups which will pave the way for the innovation of new defense technologies in India.

Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector. Defence exports grew by 334% in last five years; India now exports to over 75 countries due to collaborative efforts.

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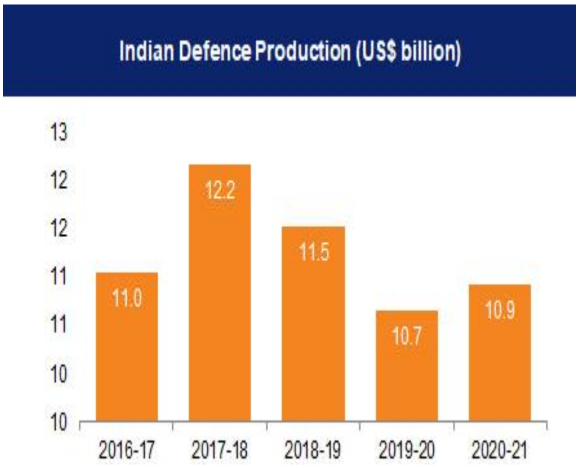
Market Size



According to the Global Power Index, the Indian defence sector ranks fourth in terms of firepower with a score of 0.0979. The Indian government has set the Defense production target at US$ 25 billion by 2025 (including US$ 5 billion from exports by 2025). India is one of the world's biggest Defense spenders with a total outlay of Rs. 5.25 lakh crore (US$ 66 billion), accounting for 13.31% of the total budget and indicating an increase over the budget estimates of 2021-22 by Rs. 46,970 crore (US$ 5.9 billion).

India's military spending of US$ 76.6 billion ranked third highest in the world in 2021. This was up by 0.9% from 2020 and by 33% from 2012.

The value of defense production in the country crossed Rs. 1 lakh crore (US$ 12 billion) for the first time on the back of key reforms to spur growth in the sector that holds vast potential. The figure stood at Rs. 1,08,330 crore (US$ 13.07 billion) in FY23 compared to Rs. 95,000 crore (US$ 11.47 billion) in FY22 and Rs. 54,951 crore (US$ 6.63 billion) five years ago.

India's defense import value stood at US$ 463 million for FY20 and US$ 469.5 million in FY21. India targets to export military hardware worth Rs. 35,000 crore (US$ 5 billion) in the next five years. As of 2019, India ranked 19th in the list of top defense exporters in the world by exporting defense products to 42 countries. Defense exports in the country stood at Rs. 15,920 crore (US$ 1.94 billion) in 2022-23.

Defence exports grew by 334% in last five years and India now exports to over 75 countries due to collaborative efforts.

Recent Development/Investments

The Indian Defence Manufacturing sector has seen some major investments and developments in the recent past.

- As of July 31, 2023, 393 startups/MSMEs/individual innovators have been engaged and 270 contracts have been signed.

- Indian and American startups will now be able to co-develop and co-produce advanced technologies, including in areas of space artificial intelligence, under the India-United States Defence Acceleration Ecosystem (INDUS-X).

- In order to promote indigenous design and manufacturing, funds have also been earmarked for procurement from indigenous sources. For FY24, funds have been earmarked in the ratio 67.75:32.25 between Domestic and Foreign procurement in the Capital Acquisition Budget of the Ministry of Defence (MoD). In addition, the MoD has also directed spending an amount of Rs. 1,500 crore (US$ 181.1 million) towards procurement from start-ups.

- The 10th meeting of Sub Committee on Military Cooperation between India and Malaysia was held in New Delhi on July 27, 2023. During the meeting, the existing defence cooperation between the two countries both sides explored effective and practical initiatives to further expand the bilateral defence engagements.

- The 8th India-Australia Defence Policy Talks (DPT) was held at Canberra in Australia on July 24-25, 2023. During the Defence Policy talks, both sides reviewed the bilateral defence cooperation between the two countries and explored new initiatives to further strengthen and deepen bilateral defence engagements. The discussions also focused on identifying ways to strengthen partnership in co-development and co-production of defence equipment.

- The Defence Minister, Mr. Rajnath Singh handed over two 'Made in India' platforms, a Fast Patrol Vessel and a Landing Craft Assault ship, to the Maldives National Defence Forces, during a visit to the country in May, 2023.

- Imphal and Indian Navy's third indigenous stealth destroyer of the Project 15B class, planned to be commissioned later this year, undertook her maiden sea sortie on April 28, 2023. The ship incorporates several niche technologies and high indigenous content and is designed in-house by the Navy's Warship Design Bureau and constructed by Mazagon Dock Ltd. (MDL) stands proud testimony to the Indian Navy's thrust on the national vision of 'AatmaNirbhar Bharat' and 'Make in India' initiative.

- Raksha Mantri Mr. Rajnath Singh held bilateral meetings with Minister of Defence of Uzbekistan Lieutenant General Bakhodir Kurbanov, Minister of Defence of Belarus Lieutenant General Victor Khrenin and Minister of Defence of Kyrgyzstan Lieutenant General Bekbolotov B Asankalievich on the sidelines of Shanghai Cooperation Organisation (SCO) Defence Ministers' meeting in New Delhi on April 28, 2023.

- Defence Research and Development Organisation (DRDO) and Indian Navy successfully conducted a maiden flight trial of sea-based endo-atmospheric interceptor missile off the coast of Odisha in the Bay of Bengal on April 21, 2023.

- 8th India-Thailand Defence Dialogue was held in Bangkok on April 20, 2023. During the meeting, both sides expressed satisfaction at the ongoing defence cooperation between the two countries.

- 4th Joint Defence Cooperation Committee meeting between India and the Philippines was held in New Delhi on March 31, 2023. During the meeting, both sides reviewed the ongoing bilateral defence cooperation and discussed effective and practical initiatives to further expand the engagements. The co-chairs reaffirmed their commitment to implement 2006 agreement concerning defence cooperation, based on mutual trust and understanding, common interest and shared values of democracy and rule of law.

- As of April 1, 2023, 351 startups/MSMEs/individual innovators have been engaged and 227 contracts have been signed.

- As on March 1, 2023, 40 projects have been completed and over 106 projects are targeted to be completed by March, 2024.

- Indian Navy received a fully indigenised fuze YDB-60 for underwater Rocket RGB 60 in March, 2023 manufactured for the first time by a private Indian industry.

- The second Consultative Meeting on Defence Cooperation between India and Jordan was held today in New Delhi. The two countries discussed a range of issues including military training and courses, cyber security, military exercises, military medicine, and capacity building in various areas to enhance defence engagements. Both sides also exchanged their respective capabilities in defence industry and research & development for forging collaborations in mutually beneficial areas.

- India and the Maldives conducted the 4th Defence Cooperation Dialogue (DCD) in Male, Maldives on March 19, 2023. During the interaction, the two nations reviewed the ongoing bilateral defence cooperation activities and both sides apparently expressed satisfaction at the increasing engagements.

- The Union Cabinet has accorded approval to sign a contract with Larsen & Toubro Limited (L&T) for acquisition of three Cadet Training Ships, at an overall cost of US$ 379.5 million (Rs. 3,108.09 crore), under Buy {Indian-IDDM (Indigenously Designed, Developed and Manufactured)} category. The delivery of ships is scheduled to commence from 2026.

- In January 2022, DRDO successfully flight tested the final deliverable configuration of Man Portable Anti-Tank Guided Missile. The indigenously developed anti-tank missile is a low weight, fire & forget missile and is launched from a man portable launcher, integrated with thermal sight. The missile impacted the designated target and destroyed it.

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- The 12th and largest-ever defence exhibition - DefExpo 2022 - marked the emergence of India's defence industry as a sunrise sector for investment on the global scale, in line with the theme 'Path to Pride'. Organised exclusively for Indian companies, the five-day event witnessed unparalleled participation of over 1,340 exhibitors, businesses, investors, start-ups, MSMEs, Armed Forces and delegates from several countries, with engagements spread over four venues.

- The Government has taken several policy initiatives in the past few years and brought in reforms to encourage indigenous design, development and manufacture of defence equipment, thereby promoting self-reliance in defence manufacturing & technology in the country.

- These initiatives, inter-alia, include according priority to procurement of capital items of Buy Indian (IDDM) category from domestic sources under Defence Acquisition Procedure (DAP)-2020; Notification of four 'Positive Indigenisation Lists' of total 411 items of Services and three 'Positive Indigenisation Lists' of total 3,738 items of Defence Public Sector Undertakings (DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them; Simplification of Industrial licensing process with longer validity period; Liberalization of Foreign Direct Investment (FDI) policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Mission DefSpace; Launch of Innovations for Defence Excellence (iDEX) scheme by involving Start-ups & Micro, Small and Medium Enterprises; Implementation of Public Procurement (Preference to Make in India) Order 2017; Launch of an indigenization portal namely SRIJAN to facilitate indigenisation by Indian Industry including MSMEs; Reforms in Offset policy with thrust on attracting investment and Transfer of Technology for Defence manufacturing by assigning higher multipliers; and Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu; Earmarking of 25% of R&D Budget for Industry led R&D; Progressive increase in allocation of Defence Budget of military modernization for procurement from domestic sources, etc.

- Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector.

- India's first indigenous aircraft carrier INS Vikrant was commissioned by the Prime Minister at Cochin Shipyard Limited in September 2022.The commissioning showcased the country's growing prowess of indigenous manufacturing and a major milestone in the path towards 'Aatmanirbhar Bharat'. With 76% indigenous content, the 262.5 m long and 61.6 m wide ship is equipped with state-of-the-art equipment/systems, designed for a crew of around 1,600 officers and sailors.

- INS Arihant carried out a successful launch of a Submarine Launched Ballistic Missile in October 2022. The missile was tested to a predetermined range and impacted the target area in the Bay of Bengal with very high accuracy. All operational and technological parameters of the weapon system have been validated.

- In May 2022, India successfully fired the Extended Range Version of BrahMos Air Launched missile from Su-30 MKI fighter aircraft. The launch from the aircraft was as planned and the missile achieved a direct hit on the designated target in the Bay of Bengal region.

- India's defence manufacturing sector recorded increased production to US$ 11.85 billion in FY22 from US$ 10.9 billion in FY21.

- India's defence production stood at Rs. 17, 885 crore (US$ 2.24 billion) in FY23 (until 1 August, 2022)

- Defence production by PSUs stood at Rs. 10,831 crore (US$ 1.36 billion) in FY23 (until 1 August, 2022)

- The 3rd Edition of Vietnam India Bilateral Army Exercise "Ex VINBAX 2022" is scheduled to be conducted at Chandimandir from 1-20 August 2022.

- In June 2022, the Ministry of Defence approved the procurement of military equipment and platforms worth Rs. 76,390 crore (US$ 9.84 billion) from domestic industries.

- Foreign Direct Investment (FDI) equity inflow in the defence sector for April 2000-March 2023 stood at US$ 15.78 million, as per data released by the Department for Promotion of Industry and Internal Trade (DPIIT).

- Hindustan Aeronautics Limited (HAL) and Bharat Electronics Limited (BEL) signed a contract for the co-development and co-production of the Long Range Dual Band Infra-Red Search and Track System (IRST) for the Su-30 MKI under the MAKE-II procedure of Defence Acquisition Procedure (DAP) 2020 as a part of the Make in India initiative.

- India and Japan have agreed to enhance bilateral security and defence cooperation, including in the area of defence manufacturing in May 2022.

- The Startup Incubation and Innovation Centre, IIT-Kanpur (SIIC IIT-Kanpur) recently signed an MoU with Defence Innovation Organisation (DIO) to nurture and support start ups and SMEs in the defence sector through its flagship programme iDEX Prime.

- HAL has built and delivered more than 150 military Do-228 and to a variety of customers. HAL has also constructed two civilian Do-228 aircrafts.

- In November 2021, Raksha Mantri, Mr. Rajnath Singh, inaugurated the first private operationalised defence manufacturing facility in the Uttar Pradesh Defence Industrial Corridor (UPDIC), in Lucknow. The facility operated by Aerolloy Technologies — a wholly owned subsidiary of PTC industries — will manufacture parts for aircraft and helicopter engines, structural parts for aircrafts, drones and UAVs, submarines, ultra-light artillery guns, space launch vehicles and strategy systems.

- In November 2021, to demonstrate the growing India-Israeli technological cooperation, the Defence Research and Development Organisation (DRDO), India and Directorate of Defence Research and Development (DDR&D), Ministry of Defence, Israel, entered a Bilateral Innovation Agreement (BIA) to promote innovation and R&D in start-ups and MSMEs of both countries for development of dual use technologies.

- The Defence Research & Development Organisation (DRDO) and Indian Air Force (IAF) successfully flight tested two indigenously-developed smart anti-airfield weapons in November 2021.

- The 11th Defence Technology and Trade Initiative (DTTI) Group meeting between India and the United States (US) was held virtually on November 09, 2021. The aim of the DTTI Group is to focus on a bilateral defence trade relationship and create opportunities for co-production and development of defence equipment.

- In November 2021, the Indian Army signed an MoU with the Bhaskaracharya National Institute for Space Applications and Geo-Informatics (BISAG-N), Gandhinagar, Gujarat.

- The 12th edition of DefExpo, India’s flagship event showcasing land, naval, air and homeland security systems will be held in Gandhinagar, Gujarat, from March 10 to March 13, 2022. The aim of DefExpo-2022 is to build and achieve ‘Aatmanirbharta’ (self-reliance) in defence and increase defence exports to US$5 billion by 2024.

- To boost the Indian Government’s ‘self-reliant’ India initiative in June 2021, Defence Minister, Mr. Rajnath Singh, approved the budgetary funds worth Rs. 498.8 crore (US$ 66.83 million) to Innovations for Defence Excellence (iDEX), a Defence Innovation Organisation (DIO) for the next five years.

Government Initiatives

- The Central government aims to take India’s defence exports up to US$ 5 billion by 2024-25.

- Of the Union Budget for Financial Year 2023-24, Ministry of Defence has been allocated a total Budget of US$ 72.2 billion (Rs. 5,93,537.64 crore), which is 13.18 % of the total budget. This includes an amount of US$ 16.8 billion (Rs. 1,38,205 crore) for Defence Pensions. The total Defence Budget represents an enhancement of US$ 8.3 billion (Rs. 68,371.49 crore) (13%) over the Budget of 2022-23.

- In the Union Budget 2023-24, the Capital Investment Outlay has been increased steeply for the third year in a row by 33 per cent to US$ 121 billion (Rs. 10 lakh crore), which would be 3.3 per cent of GDP. This will be almost three times the outlay in 2019-20.

- Accordingly, the Capital Allocations pertaining to modernization and infrastructure development of the Defence Services has been increased to US$ 19.7 billion (Rs. 1,62,600 crore) representing a rise of US$ 1.2 billion (Rs. 10,230 crore) (6.7%) over 2022-23. Also, the increase in the Capital Budget since 2019-20 has been US$ 7.2 billion (Rs. 59,200 crore) (57%). This increase is a reflection of the Government's commitment towards sustainable augmentation in the area of modernization & infrastructure development of the Defence Services.

- The Capital Budget of Border Roads Organisation (BRO) has been increased by 43% to US$ 607.8 million (Rs. 5,000 crore) in 2023-24 as against US$ 425.8 million (Rs. 3,500 crore) in FY23. Also, the allocation under this segment has doubled in two years since FY22. This will boost the Border infrastructure thereby creating strategically important assets like Sela Tunnel, Nechipu Tunnel & Sela-Chhabrela Tunnel and will also enhance border connectivity.

- Additionally, the Union Budget 2023-24 has also announced that the revamped Credit Guarantee scheme for MSMEs which will take effect from 1st April 2023 through infusion of US$ 1.09 billion (Rs. 9,000 Crore) in the corpus. This will enable additional collateral-free guaranteed credit of US$ 24.3 billion (Rs. 2 lakh crore). Further, the cost of the credit has also been reduced by about 1 per cent. This scheme will give a further fillip the MSMEs associated with the Defence Sector.

- The Union Budget 2023-24 has provided Exempt-Exempt-Exempt (EEE) status to the Agniveer Fund.

- With Government initiatives, the expenditure on defence procurement from foreign sources which used to be 46% of the overall expenditure has reduced to 36% in the last four years i.e., 2018-19 to 2021-22.

- Under the Atmanirbhar Bharat Initiative, four positive indigenization lists of 411 products have been promulgated by Department of Military Affairs and Ministry of Defence to be manufactured domestically for the defence sector, instead of being sourced via imports.

- SRIJAN portal launched to promote indigenization. 19509 defence items, have been displayed on the portal for indigenisation

- Under Mission Raksha Gyan Shakti, 1474 Intellectual Property Rights (IPRs) (until September 30, 2022) have been granted/registered by the Indian Patent office.

- Defence Research and Development Organization (DRDO) displayed a wide range of 430 products encompassing the strategic and tactical weapon systems, defence equipment and technologies developed in DefExpo 2022 which was held in Gandhinagar, Gujarat from October 18–22, 2022.

- Indigenously developed Laser-Guided Anti-Tank Guided Missiles (ATGM) were successfully test-fired from Main Battle Tank (MBT) Arjun by Defence Research and Development Organisation (DRDO) and Indian Army at KK Ranges with support of Armoured Corps Centre & School (ACC&S) Ahmednagar in Maharashtra on August 04, 2022.

- According to data released by the Department of Defence Production, 68 artificial intelligence (AI) projects in the field of defence have been planned upto March, 2024, with 40 AI projects already completed as on 30 April, 2022.

- In order to promote Private Industry, MSMEs and Start-ups in defence production ecosystem, the Ministry of Defence has allocated 25% of domestic capital procurement/ acquisition budget, amounting to Rs. 21,149.47 crore (US$ 2.72 billion), for domestic private industry in 2022-23.

- The government has established two Defence Industrial Corridors (DICs) in the country, one in Uttar Pradesh called the Uttar Pradesh Defence Industrial Corridor (UPDIC) and the other in Tamil Nadu called the Tamil Nadu Defence Industrial Corridor (TNDIC), with the goal of attracting Rs. 10,000 crore (US$ 1.31 billion) in investment in each.

- In November 2021, Defence Acquisition Council (DAC) boosted the 'Make in India' initiative by according Acceptance of Necessity (AoN) — to capital acquisition proposals worth Rs. 7,965 crore (US$ 1.07 billion) — for modernisation and operational needs of armed forces.

- On October 15, 2021, Prime Minister, Mr. Narendra Modi, dedicated the seven defence public sector undertakings (PSUs)—created through the restructuring of the Ordnance Factory Board (OFB)—to improve functional autonomy, efficiency, growth potential and innovation in the defence sector.

- Government formulated the 'Defence Production and Export Promotion Policy 2020' to provide impetus to self-reliance in defence manufacturing under the 'Aatmanirbhar Bharat' scheme.

- To increase defence manufacturing in India and make the country a reliable weapon supplier to friendly countries, the Indian government allowed the following FDI limits in September 2020. For new licensees - FDI allowed up to 74% through automatic route; FDI beyond 74% would need to be permitted under the Govt. route. For existing Licensees - Infusion of new foreign investments up to 49% can be added by making declarations of change/transfer within 30 days.

- Defence ministry plans to put 101 defence items (artillery guns and assault rifles) under import embargo to offer potential military hardware manufacturing opportunities to the Indian defence industry.

- In February 2020, Defence Minister Mr. Rajnath Singh at Aero India 2021 announced to reduce defence imports by at least US$ 2 billion by 2022.

- The defence ministry estimates potential contract worth ~Rs. 4 lakh crore (US$ 57.2 billion) for the domestic industry in the next 5-7 years (2025-2027).

Road Ahead

The Indian government is focussing on innovative solutions to empower the country's defence and security via 'Innovations for Defence Excellence (iDEX)', which has provided a platform for start-ups to connect to the defence establishments and develop new technologies/products in the next five years (2021-2026). Working through partner incubators, iDEX has been able to attract the start-up community to participate in the Defence India Start-up Challenge (DISC) programme.

In an effort to boost the defense sector and increase the infusion of FDI, the government in September 2020 revised the regulations and permitted FDI under the automatic route up to 74% and 100% through the government route in any area, where it is likely to provide access to contemporary technologies. The Defence Ministry has set a target of 70% self-reliance in weaponry by 2027, creating huge prospects for industry players. Green Channel Status Policy (GCS) has been introduced to promote and encourage private sector investments in defense production to promote the role of private sector in defense production. Given the government's emphasis on easing restrictions on foreign investment to achieve India's goal of an "Atmanirbhar Bharat," the growth trajectory of the Indian Defense sector remains strong.

(Source: https://www.ibef.org/industry/defence-manufacturing**)**

DIGITAL MANUFACTURING AND ADVANCED SYSTEMS

Introduction

Digital Manufacturing is the use of digital technologies such as 3D printing, 3D scanning, computer-aided design, computer-aided engineering, computer-aided manufacturing (CAM), and more to design, produce, and assemble products. This technology is quickly gaining momentum as it reduces costs and increases the speed, accuracy, and quality of production. These technologies allow manufacturers to reduce production times and provide greater customer service.

Global Digital Manufacturing Market Size

The Global Digital Manufacturing Market is projected to grow at a CAGR of 11.4% from 2020 to 2027 and is expected to reach USD $570 billion by 2027. The Global Digital Manufacturing Market is driven by a number of factors, including technological advancements, rising demand for cost-effective and efficient products, and the need for industrialized production.

Growth Driving Factors of the Global Digital Manufacturing Market

- **Increase in the number of connected devices:** The rise of the Internet of Things (IoT) is transforming the digital manufacturing industry. As more devices are connected to the internet, manufacturers can track and optimize their production processes in real-time. The ability to monitor product quality and detect issues before they become more costly to resolve increases efficiency, reduces waste, and ultimately increases productivity. Furthermore, the introduction of smart devices and sensors allows for improved automation and data collection, which have become increasingly important for the digital manufacturing industry.
- **Increased acceptance of cloud-based solutions:** Cloud-based solutions are becoming increasingly popular in the digital manufacturing industry due to their advantages such as scalability, cost-effectiveness, and improved security. Cloud solutions allow manufacturers to store and access data from anywhere, anytime, which is especially useful for large-scale manufacturing operations. The cloud also enables manufacturers to collaborate with other companies and customers in real-time, and to access a wide range of analytics and insights. Furthermore, cloud-based solutions provide manufacturers with the ability to quickly deploy and manage applications, reducing costs and complexity.
- **Growing demand for automation and robotics**
- **Increase in the number of technological innovations**
- **Growing demand for customized products**

Global Digital Manufacturing Market Opportunities

The Global Digital Manufacturing Market is a rapidly growing market with tremendous potential for growth. It involves the use of digital technologies such as computer-aided design, computer-aided manufacturing, and product lifecycle management to enhance the efficiency and effectiveness of a company's manufacturing. This market is driven by the need for increased efficiency and quality control, as well as the increasing automation of industrial processes. The market is also driven by the need for better customer experience and improved product quality. The global digital manufacturing market is estimated to be worth $173.7 billion by 2025, with a CAGR of 9.1%. This growth is being driven by the increasing demand for advanced manufacturing processes and the need to reduce costs.

Additionally, the increasing adoption of Industry 4.0 technologies such as the Internet of Things, artificial intelligence, and advanced analytics is creating new opportunities in the market. The global digital manufacturing market is expected to be driven by the increasing demand for improved accuracy, productivity, and quality control, as well as the need to reduce costs. Additionally, the increasing adoption of advanced technologies such as 3D printing and additive manufacturing is creating new opportunities in the market. Furthermore, the increasing demand for customization and personalization of products is also helping to drive the market. Overall, the global digital manufacturing market offers tremendous potential for growth, driven by the need for improved efficiency, productivity, and quality control. The increasing adoption of advanced technologies, increasing demand for customization, and the need to reduce costs are all expected to drive growth in the market.

Global Digital Manufacturing Market Segment Insights

The Global Digital Manufacturing Market is segmented on the basis of Product/Type, Application, Industry, Technology.

1. **Segment Insights by Product/Type**

On-Premise: On-premise digital manufacturing involves the use of physical machines that are deployed and managed in the same environment as their end-users - the client's site. This type of solution is often used in industrial applications, such as those in the automotive, aerospace, and consumer products industries, where the complexity of custom CAD design and the potential risk of engaging external cloud-based providers are too high.

Cloud-Based Design and Manufacturing: Cloud-based design is a powerful solution for faster digital manufacturing, allowing engineers and designers to reduce the timeline and cost that comes with traditional on-premise hardware sets and manual labor. The cloud-based approach to digital manufacturing gives access to build intelligence, real-time analytics, and cost optimization.

Hybrid: A hybrid digital manufacturing solution combines both on-premise and cloud-based digital design tools. This type of system provides the best of both worlds: the on-premise physical environment is tailored to the customer's needs, while the cloud-based elements provide additional flexibility and scalability. This gives businesses the ability to quickly adopt new technologies and add capacity, without completely abandoning the control offered by on-premise approaches.

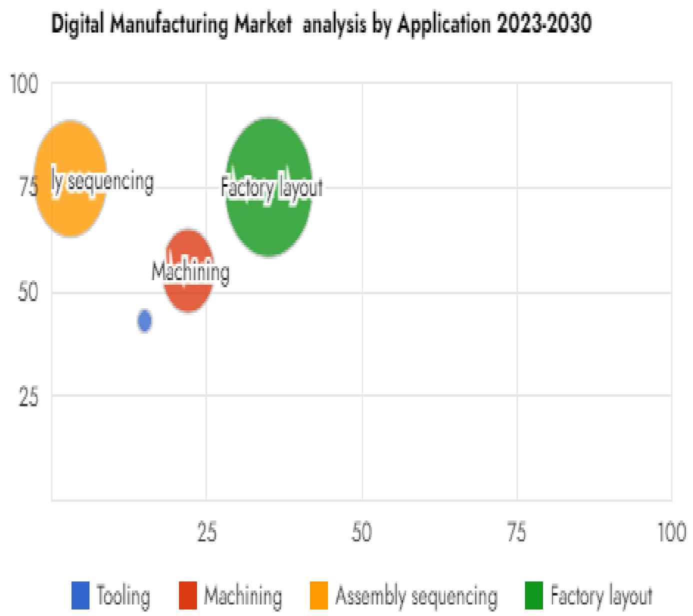
2. **Segment Insights by Application**

Tooling: Tooling is a process of creating die and molds as well as other components used to manufacture parts. This process is essential in shaping the parts to their precise specifications. In digital manufacturing, this process is often completed using computer-aided-design (CAD) software, allowing for complex and accurate designs to be made. Additionally, tooling can be used to create custom pieces that traditional manufacturing may not be able to achieve.

Machining: Machining is one of the most important processes in digital manufacturing, as it is used to create surfaces, shapes, and features in the produced parts. Machining often involves high-speed rotary cutting tools, such as end mills, drills, reamers, and taps, which are programmed and controlled by computer numerical control (CNC) systems. These CNC systems allow for precise cuts and shapes, as well as for high levels of automation and repeatability.

Assembly Sequencing: Assembly sequencing is the process of organizing the order in which components and parts are put together to create a finished product. In digital manufacturing, this process is accomplished using digital workflow management software, which enables the automation of the entire process. This software can be used to manage the scheduling and ordering of components, as well as to track and update the status of those pieces throughout the assembly process.

Factory Layout: Factory layout is the arrangement of the workspace in manufacturing facilities. With the use of digital manufacturing and automation, these layouts have become much more precise and efficient, as robots, machines, and components can be strategically placed for quicker and easier production. Additionally, digital manufacturing allows for the layouts to be quickly adjusted to meet changes in production needs.



3D Printing: 3D printing is a technique used to create 3D objects from digital files that have been designed in Computer Aided Design (CAD) software. This technique has numerous applications within digital manufacturing, ranging from creating prototypes and parts, to producing prototypes in production-scale batches. Additionally, 3D printing has become an invaluable tool within digital manufacturing, as it can quickly and efficiently create parts that may have been too expensive or time consuming to create using traditional manufacturing techniques.
Robotics: Robotics, also known as automation, is an integral part of digital manufacturing. This technology enables machines to autonomously complete tasks with precision and accuracy. Automation helps reduce human labor costs and speed up production timelines, while also improving the consistency and quality of the parts being produced. Additionally, robotics can be used to reduce the risk of hazardous tasks or difficult production lines, making manufacturing safer and improved overall efficiency.

3. **Segment Insights by Industry**

Aerospace and Defense: The aerospace and defense segment is a rapidly growing market due to increasing demand from both military and commercial users. This sector of the market utilizes digital manufacturing to create components for a wide range of military and civilian aircraft, satellites, and other space-related vehicles. This can also include the production of guided munitions, engines, and other complex structural components. Digital manufacturing processes also allow for the easy integration of design modifications and feature upgrades.

Automotive: The automotive sector has been one of the greatest beneficiaries of the digital manufacturing revolution. This segment of the market is experiencing very rapid growth due to the increasing demand and use of digitally manufactured components in cars, trucks, and motorcycles. Many major car manufacturers are turning to digital manufacturing solutions to produce components more quickly, accurately, and economically. Companies are also focusing on materials optimization and predictive maintenance technologies for improved efficiency.

Consumer Goods: The consumer goods segment of the market is driven by demand from a wide range of industries, from apparel to home goods. Digital manufacturing solutions are allowing for greater customization of consumer goods, including the integration of 3D modeling and printing into the production processes. This has led to an increase in production speed and improved quality of the finished products. Furthermore, companies are able to reduce product costs for consumers by using digital manufacturing solutions.

Medical Devices: The medical devices market has seen rapid growth over the past decade, and digital manufacturing has been contributing to this trend. By utilizing sophisticated simulation and modeling techniques, manufacturers are able to create highly detailed and customized medical devices. This has opened many new possibilities in the medical device industry, making it possible to create complex structures with minimum waste and maximum precision. Digital manufacturing has already enabled the development of lifesaving devices that could not have been created just a few years ago.

Industrial Machinery: The industrial machinery segment has been revolutionized by digital manufacturing technology. Companies are now utilizing digital tools and processes for the creation of highly customized and detailed parts for a wide range of machinery, from milling machines and lathes to hydraulic and pneumatic systems. This has enabled manufacturers to custom-build complex parts, ensuring maximum efficiency of machines and a wide range of usage possibilities. Digital manufacturing processes are also being used in the simulation of product lifecycles, allowing companies to detect issues early and maximize the un-interruptible performance of their machinery.

4. **Segment Insights by Technology**

CAD/CAM - CAD/CAM technology is widely used in digital manufacturing and is utilized to design, analyze, and manufacture products. CAD (Computer-Aided Design) is the practice of using computer-based software to design objects, while CAM (Computer-Aided Manufacturing) is the process of using computer-based software to produce or construct items. This technology enables organizations to accelerate product development by creating virtual prototypes for testing, designing and creating new products, effectively managing product data, streamlining production and factory floor operations, and reducing cost and time to market.

PLM - Product Lifecycle Management (PLM) is an important technology for digital manufacturing, which enables manufacturers to manage the lifecycle of their product components and processes. It enables organizations to remain competitive by improving product performance, accelerating innovation, and responding quickly to customer and market needs. PLM helps organizations to not only manage the product lifecycle as it moves through various processes and stages, but also determine the best lifecycle for the product, for example, reducing waste and inefficiencies.

ERP - Enterprise Resource Planning (ERP) is another important technology in digital manufacturing, which helps organizations to manage information and resources. It allows project planning, resource scheduling, and budget management, as well as product data management, manufacturing processes, and supply chain management. ERP also provides powerful analytical tools and insights to help organizations make the best decisions and optimize the manufacturing process.

MES - Manufacturing Execution System (MES) technology is used to plan and track all activities related to manufacturing, such as material supply, production scheduling, quality control, and human resources. It provides managers with real-time information, enabling them to more accurately monitor production processes and make timely decisions. With MES, manufacturers also have access to automated data collection, recipe management, and advanced analytics.

Simulation - Manufacturing simulation enables organizations to better understand and optimize their operations. It allows manufacturers to test various process changes and scenarios in a virtual environment without having to use physical resources or put the production process under risk. Simulation technology permits manufacturers to obtain insights and make effective decisions to help improve efficiency and reduce operating costs. It also helps in designing high-quality products and streamlining production processes.

Global Digital Manufacturing Market Regional Analysis

A. **North America**

The Digital Manufacturing Market in North America is experiencing rapid growth. This is due to the increasing demand for automation and digitalization of manufacturing processes. The region is home to some of the world's leading technology companies, which are driving the development of new digital manufacturing solutions. Additionally, the region has a strong manufacturing base, which is providing a fertile ground for the adoption of digital manufacturing technologies. The region is also benefiting from the increasing availability of data and analytics, which are enabling manufacturers to make more informed decisions.

This is leading to increased efficiency and cost savings, which are driving the growth of the digital manufacturing market. Furthermore, the region is seeing an influx of venture capital investments, which are helping to fuel the development of new digital manufacturing solutions. In conclusion, the Digital Manufacturing Market in North America is experiencing rapid growth due to the increasing demand for automation and digitalization of manufacturing processes, the presence of leading technology companies, the availability of data and analytics, and the influx of venture capital investments.

B. **Europe**

The Digital Manufacturing Market in the European region is experiencing rapid growth. This is due to the increasing demand for automation and digitalization of production processes. The region is also seeing a rise in the number of companies investing in digital manufacturing technologies, such as 3D printing, robotics, and artificial intelligence. The European Union has also been actively promoting the development of digital manufacturing technologies, providing incentives and funding for research and development. This has resulted in a surge in the number of startups and established companies investing in the sector.

The region is also home to some of the world's leading digital manufacturing companies, such as Siemens, ABB, and Bosch. These companies are investing heavily in the development of new technologies and are driving the growth of the sector. The European region is also seeing an increase in the number of collaborations between companies and universities, which is helping to drive innovation and the development of new technologies. This is helping to create a competitive environment and is driving the growth of the sector.

C. **Asia**

The Digital Manufacturing Market in the Asian region is experiencing rapid growth due to the increasing demand for automation and digitalization of production processes. This is driven by the need to reduce costs, improve efficiency, and increase productivity. Additionally, the availability of advanced technologies such as artificial intelligence, robotics, and the Internet of Things (IoT) is driving the growth of the digital manufacturing market in the region. The increasing demand for smart manufacturing solutions and the growing adoption of Industry 4.0 technologies are also contributing to the growth of the digital manufacturing market in the region.

Furthermore, the increasing demand for connected devices and the growing need for data-driven decision making are also driving the growth of the digital manufacturing market in the region. The increasing demand for digital manufacturing solutions from the automotive, aerospace, and medical device industries is also driving the growth of the digital manufacturing market in the region. Additionally, the increasing demand for advanced manufacturing solutions from the consumer electronics industry is also contributing to the growth of the digital manufacturing market in the region.

D. **Middle East**

The Digital Manufacturing Market in the Middle East is experiencing rapid growth. This is due to the region's increasing focus on digital transformation, which is driving the adoption of advanced technologies such as artificial intelligence, machine learning, and the Internet of Things. The region is also seeing an influx of foreign investments, which is helping to fuel the growth of the digital manufacturing market. Additionally, the region's large population and growing middle class are creating a demand for digital manufacturing solutions.

The Middle East is also home to a number of large-scale manufacturing projects, which are driving the demand for digital manufacturing solutions. Furthermore, the region's governments are investing heavily in digital infrastructure, which is helping to create a conducive environment for digital manufacturing. Finally, the region's strategic location and access to global markets are making it an attractive destination for digital manufacturing companies. This is helping to drive the growth of the digital manufacturing market in the Middle East.

E. **Latin America**

The Digital Manufacturing Market in Latin America is experiencing rapid growth. This is due to the region's increasing demand for digital solutions to improve production processes and reduce costs. Additionally, the region's growing population and rising disposable incomes are driving the demand for digital manufacturing solutions. The Latin American market is also benefiting from the increasing adoption of Industry 4.0 technologies, such as artificial intelligence, robotics, and the Internet of Things.

These technologies are enabling manufacturers to automate processes, reduce costs, and improve product quality. Furthermore, the region's governments are providing incentives to encourage the adoption of digital manufacturing solutions. This includes tax breaks, subsidies, and other financial incentives. Overall, the Digital Manufacturing Market in Latin America is experiencing strong growth due to the region's increasing demand for digital solutions, the adoption of Industry 4.0 technologies, and government incentives.

(Source: https://www.verifiedmarketreports.com/product/digital-manufacturing-market/)

Digital Manufacturing Market Trends

A. ***Advancements in Industrial Internet of Things (IIoT) and connectivity***

The digital manufacturing market is propelled by the rapid advancements in the Industrial Internet of Things (IIoT) and connectivity technologies. The integration of sensors, actuators, and smart devices across the manufacturing ecosystem enables real-time data collection and analysis. This connectivity facilitates seamless communication between machines, allowing manufacturers to optimize production processes, monitor equipment health, and enhance overall operational efficiency. As more devices become interconnected, the industrial landscape transforms into a smart and interconnected environment, driving the adoption of digital manufacturing solutions. The ability to gather and analyze data from various sources empowers manufacturers to make data-driven decisions, predict maintenance needs, and implement proactive strategies for improved productivity.

B. ***Rise of additive manufacturing and 3D printing***

The digital manufacturing market is witnessing a rise due to the increasing prominence of additive manufacturing (AM) and 3D printing technologies. These innovative techniques enable the production of complex and customized components with greater speed and efficiency compared to traditional manufacturing methods. Additive manufacturing not only reduces material waste but also offers design flexibility and the ability to create intricate structures that were previously challenging or impossible. The growing adoption of 3D printing in industries such as aerospace, healthcare, and automotive is reshaping production processes, fostering innovation, and driving the demand for digital manufacturing solutions.

C. ***Growing demand for smart factories and Industry 4.0 initiatives***

The demand for smart factories and the implementation of Industry 4.0 initiatives are key drivers propelling the digital manufacturing market. Industry 4.0 represents the fourth industrial revolution, characterized by the integration of digital technologies, automation, and data exchange in manufacturing. Smart factories leverage technologies such as artificial intelligence (AI), robotics, big data analytics, and the Internet of Things (IoT) to create interconnected and intelligent manufacturing environments. These initiatives aim to enhance efficiency, reduce downtime, and improve overall operational performance. As manufacturers strive to stay competitive in a rapidly evolving global landscape, the adoption of digital manufacturing solutions becomes instrumental in achieving the goals of increased productivity, cost savings, and enhanced agility in responding to market demands.

Latest Global Developments

- **November 13, 2023**: Autodesk, Inc. has introduced Autodesk Workshop XR, a groundbreaking immersive design review workspace seamlessly integrated with Autodesk Construction Cloud (ACC). Workshop XR offers a streamlined and highly effective platform for design reviews within the architecture, engineering, and construction (AEC) sector. This real-time, collaborative experience enables teams to assess 3D models and associated data from any location, fostering improved decision-making processes and contributing to the success of more financially viable and sustainable projects. The unveiling of Workshop XR and its capabilities was announced at Autodesk University, The Design & Make Conference, showcasing Autodesk's commitment to advancing innovative solutions in the AEC industry.

- **October 26, 2023:** Medidata has revealed the extension of its multi-year partnership with Catalyst Clinical Research specifically for oncology trials. This expansion underscores Medidata's commitment to fostering collaborative efforts in advancing clinical research, particularly in the field of oncology. The continued partnership with Catalyst Clinical Research signifies Medidata's dedication to supporting and optimizing trials in this critical therapeutic area.

- **October 11, 2023:** Bentley Systems, Incorporated (Nasdaq: BSY) has revealed that Seequent, The Bentley Subsurface Company, has agreed to acquire Flow State Solutions, a renowned leader in geothermal simulation software. This strategic acquisition enhances Seequent's standing as the foremost provider of comprehensive subsurface software solutions tailored for the geothermal industry. The move underscores Bentley Systems' commitment to strengthening its position in the market and expanding its capabilities to better serve the evolving needs of the geothermal sector. This development aligns with Bentley Systems' ongoing efforts to provide cutting-edge solutions and reinforces its role in advancing technology within the infrastructure engineering domain.

(Source: https://www.imarcgroup.com/digital-manufacturing-market)

Digital Manufacturing in India

Since the 1990s, India too has built a world class IT-services industry with an international and domestic clientele. Over the past five years, India too has digitized its governance and bureaucratic processes, using open-source, public-private platforms to enable millions of citizens to have easy access to government services, and creating the world's second largest population of digitized citizens after China. In India, digital manufacturing has begun in parallel with global efforts. Its most obvious mode of entry has been through multinational companies that are transferring updated technology to their operations in India.

Plunging into the new-era digital manufacturing will provide India with an innovative, even futuristic, industrial platform – and build a new ecosystem that can put the country at par with global counterparts. India already is half-way there: Its global IT services sector, while currently export focused, can use its talents domestically to develop models for data analytics. This is the most difficult part of digital manufacturing – marrying machines with digital tools to analyse data.

Four elements of the ecosystem for digital manufacturing in India are in place i.e., the digital infrastructure, government schemes, academic learning, and a burst of start-ups.

Digital infrastructure: A significant part of the digital infrastructure, has been laid by India Stack, 5 an open-source services platform and application programming interface, developed by a publicprivate partnership as a public good. It is free for entrepreneurs, small and big business, government and developers, to build their products on. During the pandemic, this platform singularly helped the Indian government disburse funding and subsidies to individuals and entities across the country, instantaneously and at low cost. Now, with the pandemic easing up, and with new legislations and schemes for entrepreneurs, this platform is being used to build and scale up new ideas. It will help India move beyond services to products. If the transition is smooth, India can become like Korea – a high-value design and product manufacturing powerhouse. India will finally leave behind its jugaad or make-fix era.

Government schemes: To capture this nascent and promising trend, the government has moved swiftly.

- November 2020 saw a $20 billion incentive scheme for 13 competitive sectors of manufacturing to create domestic self-sufficiency. In addition, a serious effort is underway to create the supporting institutions for manufacturing and for the Micro, Small and Medium Enterprises (MSMEs), which comprises over 90% of Indian business.
- Nitin Gadkari, said on December 15, 2020 that he expects MSMEs to create 50 million new jobs over the next five years, and contribute 40% to India's GDP, up from 30% now. To make this happen, new

initiatives like Smart Advanced Manufacturing and Rapid Transformation Hub (SAMARTH) by the Ministry of Heavy Industries, have begun.

- The Government Initiative done in Pune is C4i4, which provides a transformation road map for its customers, both MSME and MNC. C4i4 offers coaching and consulting specifically for manufacturing MSMEs that are looking to digitise. During the pandemic, demand for its services have grown by 30%, not just from small businesses but big exporters too.
- The mass migration of workers from various parts of India during the early months of the lockdown, was an opportunity for state governments, to identify the skill sets of their residents. Three Indian states with large migrant populations stand out in this – Uttar Pradesh, Madhya Pradesh and Bihar. As the migrants came home, while they were being tested, treated and quarantined, their work and skills were also being recorded and mapped.
- The government of UP passed an ordinance, the Uttar Pradesh Temporary Exemption from Certain Labour Laws Ordinance, 2020, which relaxes laws related to unions, work dispute settlement, regulations on work conditions, for three years.

Academic learning: India is also the first country in the world to develop and run a post-graduate degree course in digital manufacturing, at the prestigious Birla Institute of Technology and Science– Pilani, Rajasthan.
Burst of start-ups: Multiple government schemes like Make in India, Start-up India and Digital India, initiated in 2014, had seen a limited response. But 2020 saw a surge of digitisation, intra-company and in start-ups. According to Nasscom,6 the software industry association, 1,600 new start-ups were added in 2020, and 12 new unicorns are now added to the total of 38 unicorns. Indian states have invigorated and updated their own start-up policies, in order to reach grassroots talent. They have begun to compete with each other,7 each offering start-up challenges, incubation and acceleration programmes, and venture funding.

Government Initiatives:

In September 2020, the government addressed a core problem in India – labour. It replaced 29 old laws with four, simplified labour codes, to modernise labour regulations.

In November 2020, the PLI was extended to over a dozen sectors in which India is already competitive, like pharmaceuticals, automobile, telecom, textiles, electronic tech consumer products. These subsidies encourage products to be made in India, for the home and export market.

(Source: Gateway House Indian Council on Global Relations-Digital Manufacturing in India, Paper No. 29)

JKE™

OUR BUSINESS

*Some of the information contained in this section, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. Before deciding to invest in Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in Equity Shares, you should read "**Risk Factors**" on page 24, for a discussion of the risks and uncertainties related to those statements, as well as "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 100 and 105, respectively, 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, and references to a particular fiscal year are to the twelve months ended March 31 of that year. All financial information included herein is given on a consolidated basis unless stated otherwise. We have, in this Draft Letter of Offer, included various operational and financial performance indicators, some of which may not be derived from our Financial Statements and may not have been subjected to an audit or review by our Statutory Auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Financial Statements and other information relating to our business and operations included in this Draft Letter of Offer.

Unless otherwise indicated, all industry and market data used in this section has been derived from publicly available information. Our Company has neither commissioned nor paid for the industry and market data included herein.

Unless the context otherwise requires, a reference to the "Company" refers to "Jay Kay Enterprises Limited" and a reference to "we", "us" and "our" refers to our Company and our Subsidiaries, Associate and Partnership firms where we hold majority of capital contribution on consolidated basis.

CORPORATE HISTORY OF OUR COMPANY

We are a part of J K Organisation, a diversified JK conglomerate As on the date of this Draft Letter, We alongwith our subsidiaries, associate and partnership on a consolidated basis is engaged in the business of; (i) Defence & Aerospace-manufacturing of precision-turned components and all types of engineering goods for the defence, aerospace along with trading and dealing in all kinds of products related to Defence; and (ii) Digital & Advanced Systems-additive manufacturing and also providing technical consultancy services, 3D Scanning, reverse engineering, plant modelling, design, development, and market software products for 3D and allied activities.

Our Company was originally incorporated as "J.K. Investment Trust Limited" as a public company under the provisions of the Indian Companies Act, VII of 1913 on May 17, 1943, pursuant to a certificate of incorporation issued by the Registrar of Joint Stock Companies, United Provinces of Agra and Oudh on May 17, 1943. Subsequently, the name of our Company was changed to "J.K. Synthetics Limited" and a fresh certificate of incorporation consequent to the change of name was issued by the Registrar of Companies, Uttar Pradesh, Kanpur on May 9, 1961, under the provisions of the Companies Act, 1956. Further, the name of our Company was changed to its present name i.e., "Jaykay Enterprises Limited" vide a fresh certificate of incorporation was issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand on October 15, 2010. The registered office of the Company is situated at Kamla Tower, Kanpur-208001, Uttar Pradesh, India. The Corporate Identification Number of our Company is L55101UP1961PLC001187.

We started our business in 1943 under the name and style of J.K. Investment Trust Limited under the provisions of the Indian Companies Act, VII of 1913, to function as an investment company. In 1960, the Company transitioned from the business of an investment company and entered into the business of manufacturing nylon and acrylic fibers. In order to reflect the business of the Company, our name was changed to J.K. Synthesis Limited.

The Company's performance was satisfactory till 1987-88 but operations started deteriorating thereafter, which forced the Company to opt for rehabilitation and revival steps, and therefore our company in the year 1998 was referred to the Board for Industrial and Financial Reconstruction (**BIFR**) and thereafter to Appellate Authority for Industrial & Financial Reconstruction (**AAIFR**) whereby pursuant to a scheme of rehabilitation as sanctioned by AAIFR, various revival steps were undertaken including slump sale of the cement manufacturing division of our Company to a separate division "J. K. Cements Limited".

In the year December 1994, our Company got itself registered as Registrar and Share Transfer Agent and obtained a certificate of registration in its erstwhile name "J.K. Synthetics Limited", bearing SEBI Registration Number INR100000014 having validity from January 1, 1995 till December 31, 1997 and renewed thereafter till year 2000 under Registration Number INR100000576 and renewed further with SEBI Registration Number INR100000592 from the year 2001 onwards.

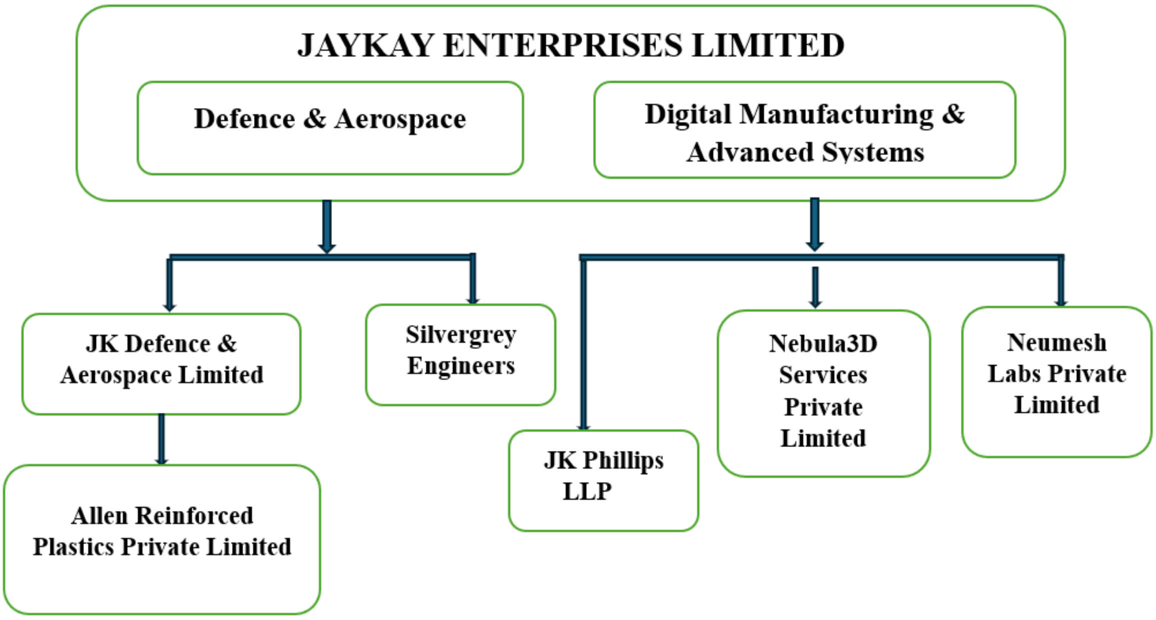
Later in the year 2010, the name of our Company was changed to 'Jaykay Enterprises Limited'. However, in year 2021, the management of the Company made the decision to cease its Registrar and Share Transfer Agent business permanently and later applied to SEBI, for surrender of the certificate of registration, which is pending for approval as on date.

KEY EVENTS:

YEAR	**PARTICULARS**
2021	The Company had signed a Memorandum of Understanding dated October 28, 2020, with M/s Additive 3D Pte Ltd ("**A3D**"), an affiliate to M/s EOS Singapore Pte Ltd, in pursuance of which the Company incorporated Neumesh Labs Private Limited on January 04, 2021, to act as a Joint Venture Company with a shareholding of the Company and Additive 3D Pte Ltd 70% and 30% respectively. The Company and A3D had further signed a Joint Venture and Shareholder Agreement dated March 26, 2021, to set out the terms and conditions for setting up the joint venture and participation of the Company and A3D and to also determine the relationship among the Company, A3D, and Neumesh Labs Private Limited.
2022	The Company had acquired a 99% stake in Bangalore-based Partnership Firm Silvergrey Engineers to inter alia engaged in the business of manufacturing and supplying parts and accessories to the defence equipment manufacturing industry.
	The Company altered its objects vide resolution passed in the EGM held on May 07, 2022, to insert the following business objects (as the new line of business): i. Activities relating Defence & Aerospace Sector to make the activities of the Company diversified. ii. Activities relating to software designing, maintenance, e-commerce, training, consultancy and related solutions iii. Design, develop, manufacture, research and develop products and services in the areas of Engineering Products across Industry verticals. iv. To undertake Real Estate activities

	v. Collaboration or technical know-how for defense, aerospace and space technologies
2023	Incorporated JK Defence & Aerospace Limited and JK Digital & Advance Systems Private Limited as wholly owned subsidiaries.
	Allen Reinforced Plastics Private Limited became a step-down subsidiary of the Company as JK Defence & Aerospace Limited, the wholly owned subsidiary acquired a 76.41% equity stake in it.
	The Company has entered into a Joint Venture with Phillips Machine Tools India Private Limited, a subsidiary of Phillips Corporation, USA, to form and constitute a Limited Liability Partnership (LLP) under the name and style of JK-Phillips LLP pursuant to the Limited Liability Partnership Agreement dated December 20, 2023.

PRESENT GROUP STRUCTURE



BUSINESS OPERATIONS

As on the date of this Draft Letter of Offer, the Company majorly carries its business and generates revenue through its Subsidiaries, Associate Company, Partnership ("**Group Entities**").

The Group is primarily engaged in the business of:

1. Defense & Aerospace and other allied services;
2. Digital Manufacturing & Advanced systems inter-alia Additive manufacturing, 3D printing, developing software products, and related Technical consultancy services.

The Company has entered into a collaboration agreement with Additive 3D, a partnership firm (A3D Partners), dated November 02, 2022, and November 14, 2022, under which the Company will set up the entire additive manufacturing lab ("AM Lab") and meet the capital cost pertaining to the AM lab, so set up. As per the said arrangement A3D Partners receives the periodical payment from the colleges and institutions for setting up the AM Labs and thereafter A3D Partners make periodical payments to the Company.

The Revenue from operations of ₹ 29.70 lakhs and ₹ 59.40 lakhs (on a standalone basis) for the FY ended March 31, 2023, and the half year ended September 30, 2023, respectively has been generated from the above-mentioned collaboration with A3D partners for setting up AM Labs.

Group Entities:

As on the date of this Draft Letter of Offer, the Company has 4 (four) subsidiaries including 1(one) material subsidiary), 2(two) wholly owned subsidiaries, 1(one) step down subsidiary, 1(one partnership firm), 1 (one) LLP, and 1(one) Associate Company:

S. No.	Name of Entities	Relationship	Business segment
1.	**JK Defence & Aerospace Limited**	Wholly Owned Subsidiary [100% of total paid-up capital held by the company]	Defense & Aerospace and other allied services
2.	**JK Digital & Advance Systems Private Limited**	Wholly Owned Subsidiary [100% of total paid-up capital held by the company]	Digital Manufacturing & Advanced systems
3.	**Neumesh Labs Private Limited**	Material Subsidiary [70% of total paid-up capital held by the company]	Digital Manufacturing & Advanced systems
4.	**Allen Reinforced Plastics Private Limited**	Step Down Subsidiary [76.41% of total paid-up capital held by the company through JK Defence & Aerospace Limited]	Defense & Aerospace and other allied services
5.	**Silvergrey Engineers (a partnership firm- 99% share)**	Partnership Firm (Subsidiary) [99% of total capital held by the company]	Defense & Aerospace and other allied services
6.	**Nebula3D Services Private Limited**	Associate Company [27.65% of total paid-up capital held by the company]	Digital Manufacturing & Advanced systems

7.	**JK-Phillips LLP**	Limited Liability Partnership [50% right to the share profit held by the Company]	Digital Manufacturing & Advanced systems

1. JK Defence & Aerospace Limited

Corporate Information

JK Defence & Aerospace Limited is a public company incorporated on July 03, 2023, vide Corporate Information Number: U26515DL2023PLC416434 having its registered office at 4th Floor JK Building, A-2 Local Shopping Centre, Masjid Moth, South Delhi, New Delhi-110048, India. Its authorized share capital is ₹1,00,000 and its paid-up capital is ₹50,000.

Brief Description of Business

JK Defence & Aerospace Limited, a wholly-owned subsidiary of the company was incorporated with the object of engaging in the manufacturing of precision-turned components and all types of engineering goods for the defence, aerospace, and other allied industries including trade and dealing in all kinds of products related to Defence and Aerospace equipments.

Financial Performance

Since JK Defence & Aerospace Limited was incorporated on July 03, 2023, the 1st financial year of JK Defence & Aerospace Limited will end on March 31, 2024, and the financial statements will be finalized and audited thereafter.

(In Lakhs)

Particulars	**September 30, 2023**	**March 31, 2023**
Revenue from Operations	NIL	NA
Profit/(Loss) after Tax	(208.40)	NA

2. JK Digital & Advance Systems Private Limited

Corporate Information

JK Digital & Advance Systems Private Limited is a private company incorporated on July 27, 2023, vide Corporate Information Number: U26204DL2023PTC417784 having its registered office at 4th Floor JK Building, A-2 Local Shopping Centre, Masjid Moth, South Delhi, New Delhi-110048, India. Its authorized share capital is ₹1,00,000 and its paid-up capital is ₹50,000.

Brief Description of Business

JK Digital & Advance Systems Private Limited, a wholly owned subsidiary of the company was incorporated with the object of carrying on the business of Digital and Technical Consultancy Services, 3D Scanning using Laser and White Light Technology, 3D Contact, and Non-Contact Measurement using Hard Probe, Coordinate Measuring Machine (CMM) and Laser Technology, Reverse Engineering, Computer-aided design work, engineering design, and manufacturing services, 3D printing for prototyping and low volume manufacturing.

Financial Performance

Since JK Digital & Advance Systems Private Limited was incorporated on July 27, 2023, the 1st financial year of JK Digital & Advance Systems Private Limited will end on March 31, 2024, and the financial statements will be finalized and audited thereafter.

(In Lakhs)

Particulars	September 30, 2023	March 31, 2023
Revenue from Operations	NIL	NA
Profit/(Loss) after Tax	(0.74)	NA

3. Neumesh Labs Private Limited

Corporate Information

Neumesh Labs Private Limited is a private company incorporated on January 04, 2021, vide Corporate Information Number: U72900UP2021PTC139959 having its registered office at 29/1, D.D Road, Kamla Tower, Kanpur, Uttar Pradesh-208001, India. Its authorized share capital is ₹ 10,00,00,000 and its paid-up capital is ₹ 8,50,90,000.

Brief Description of Business

Neumesh Labs Private Limited, an unlisted material subsidiary of the company is primarily engaged in the business of 3D printing and manufacturing, Reverse Engineering and Modelling, Prototyping, Consulting on digital manufacturing, and sale of software.

It offers all types of technical and commercial solutions in both CAPEX and OPEX mode in the 3D printing or Additive Manufacturing space.

The Company had signed a Memorandum of Understanding dated October 28, 2020, with M/s Additive 3D Pte Ltd (A3D), an affiliate to M/s EOS Singapore Pte Ltd (EOS), in pursuance of which the Company incorporated Neumesh Labs Private Limited on January 04, 2021, to act as a Joint Venture Company with a shareholding of the Company and Additive 3D Pte Ltd 70% and 30% respectively. The Company and A3D had further signed a Joint Venture and Shareholder Agreement dated March 26, 2021, to set out the terms and conditions for setting up the joint venture and participation of the Company and A3D and to also determine the relationship among the Company, A3D, and Neumesh Labs Private Limited.

Neumesh Labs Private Limited has indigenously developed a polymer printer JK Print 300 and JKPM3 series, a Powder Management System which was unveiled at IMTEX 23 Fair in Bengaluru.

Financial Performance

(in Lakhs)

Particulars	September 30, 2023	March 31, 2023
Revenue from Operations	727.40	4,338.18
Profit/(Loss) after Tax	115.85	404.41

4. Allen Reinforced Plastics Private Limited

Corporate Information

Allen Reinforced Plastics Private Limited is a private company incorporated on December 31, 1987, vide Corporate Information Number: U25209TG1987PTC008136 having its registered office at No. 6-3-856/4, Saadath Manzil Colony Road, Ameerpet, Opp: Lane to Green Park, Hyderabad, Telangana-500016, India. Its authorized share capital is ₹ 12,00,00,000 and its paid-up capital is ₹ 8,31,57,270.

Brief Description of Business

The Company, through its wholly owned subsidiary "JK Defence & Aerospace Limited" has acquired a 76.41% stake in Allen Reinforced Plastics Private Limited on July 09, 2023. Thus, Allen Reinforced Plastics Private Limited became step a subsidiary of the company, which is involved in the design, development, manufacture and testing of composite and allied engineering products for the purpose of Defence, Aerospace and Engineering products like Missile & Rockets components, Underwater Applications, Marine and submarine, Gun and accessories.

Allen Reinforced Plastics Private Limited has 2 manufacturing units Chellapalli Industrial Estate Hyderabad and Bolaram Industrial Estate, Hyderabad.

Financial Performance

(in Lakhs)

Particulars	September 30, 2023	March 31, 2023
Revenue from Operations	965.34	2521.90
Profit/(Loss) after Tax	227.78	104.53

5. Silvergrey Engineers

Corporate Information

Silvergrey Engineers (SGE) is a Bangalore-based partnership firm having its registered office at C-30, 3rd Cross Road, Rajaji Nagar, Industrial Town Bengaluru.

Brief Description of Business

The Company has acquired a 99% stake in Silvergrey Engineers, a Bangalore-based partnership firm, in the year 2022, that is engaged in manufacturing and supply of parts and accessories to the defence equipment manufacturing industry, catering to Aditya Project Group, BEL, ISRO, Aeronautical Development Agency, Tata Advance Systems etc.

Silvergrey Engineers presently has manufacturing facilities located at Plot No. 477B, 4th Phase, Peenya Industrial Area, Bangalore. This acquisition has enabled our Company to expand into the business of defence and aerospace.

The Company at its Board Meeting held on May 29, 2023, in-principally approved the merger of business of Silvergrey Engineers into the Company, which is yet to be executed.

Financial Performance

(in Lakhs)

Particulars	September 30, 2023	March 31, 2023
Revenue from Operations	174.52	329.75
Profit/(Loss) after Tax	(37.81)	(331.67)

6. Nebula3D Services Private Limited

Corporate Information

Nebula3D Services Private Limited is a private company incorporated on March 06, 2015, vide Corporate Information Number: U74900KA2015PTC079156 having its registered office at No. 966, 18th B Cross, 2nd Main, Ideal Home Township, Rajarajeshwari Nagar, Bangalore, Karnataka-560098, India. Its authorized share capital is ₹ 10,00,00,000 and its paid-up capital is ₹ 1,97,45,300.

Brief Description of Business

Nebula3D Services Private Limited is an Associate Company in which the company is holding 27.6% of its shareholding. Nebula3D Services Private Limited is engaged in the business of 3D Scanning Services Laser Tracker Services, Reverse Engineering Services, Rapid Photocopying, etc.

Financial Performance

Particulars	September 30, 2023	March 31, 2023
Revenue from Operations	137.59	305.74
Profit/(Loss) after Tax	(72.55)	(88.82)

7. JK-Phillips LLP

Corporate Information

JK-Phillips LLP is a Limited Liability Partnership incorporated under the provisions of the Limited Liability Partnership Act 2008 on December 28, 2023, vide Limited Liability Partnership Identification Number: ACE-5974 having its registered office at 2nd Floor, JK Building, A2 Local Shopping Complex, Greater Kailash, South Delhi-110048, India.

Brief Description of Business

The Company has entered into a Joint Venture with Phillips Machine Tools India Private Limited, a subsidiary of Phillips Corporation, USA, to form and constitute a Limited Liability Partnership (LLP) under the name and style of JK-Phillips LLP pursuant to the Limited Liability Partnership Agreement dated December 20, 2023. The LLP has been formed to carry out the business of tender bidding for the manufacturing industry, which shall include but not be limited to bidding for tenders in relation to manufacturing, designing, and developing cutting-edge technology by producing or distributing CNC machines, lathes, hydraulic press, 3D printers, moulding machines and accessories originally produced by Phillips and other manufacturing/trading activities including after-sales services. It shall also include the Establishment and running of training centers.

Financial Performance

Since JK-Phillips LLP was incorporated on December 28, 2023, there has been no business activity carried out in the LLP till date.

OUR COMPETITIVE STRENGTH

Established Legacy

The Company takes pride in its formidable legacy, extending over a century, which serves as a testament to a strong foundation and an enduring presence in the business realm. This longstanding history underscores the company's resilience and unwavering commitment, highlighting its ability to navigate and thrive within the dynamic business landscape. This rich legacy brings unparalleled experience and deep industry knowledge.

Global Partnerships

The Company has made strategic key alliances with global industry leaders, notably EOS Singapore Pte Ltd from Germany specializing in additive manufacturing, and Phillips Machine from USA excelling in CNC technology. These collaborations are pivotal in affording the Company access to cutting-edge technologies, thereby amplifying the Company's innovation capabilities. As a result, the Company is positioned to enhance market competitiveness, ensuring a progressive stance in the industry through the integration of advanced technologies and a commitment to innovation.

Strategic Acquisitions

The strategic acquisitions of Allen Reinforced Plastics Private Limited, SilverGrey Engineers, and Neumesh Labs Private Limited (JV) have markedly strengthened the company's portfolio, affording a diverse array of expertise, client relationships, and market share. These endeavors have enhanced the company's competitive position and broadened its capabilities, underscoring a commitment to sustained growth and market leadership.

OUR BUSINESS STRATEGY

Building a Robust Defense Business through Domestic Manufacturing

The Company has a strategic focus on developing strong defense business through domestic manufacturing to meet the increasing requirements of the defense and aerospace sector while reducing reliance on external suppliers. By prioritizing effective management, financial support, and streamlined processes, we aim to strengthen our capability to manufacture and supply defense and related equipment. We believe that the approach will contribute to national security and enhance self-reliance in meeting the defence needs of our country. In furtherance of the same, the company has incorporated a wholly owned subsidiary i.e. JK Defence & Aerospace Limited through which the company has acquired a 76.41% equity stake in Allen Reinforced Plastics Private Limited which is engaged in the business of designing, developing, manufacturing and testing of composite and allied engineering products for Defence, Aerospace and Engineering products like Missile & Rockets components, Underwater Applications, Marine and submarine, Gun and accessories. Further, the company has during year 2022 has acquired a 99% stake in a Bangalore-based partnership firm i.e., Silvergrey Engineers which is engaged in manufacturing and supply of parts and accessories to the defence equipment manufacturing industry, catering to Aditya Project Group, BEL, ISRO, Aeronautical Development Agency, Tata Advance Systems etc.

Pioneer in Additive Manufacturing

The Company believes that the Company's partnership with Additive 3D Pte Ltd (an affiliate to M/s EOS Singapore Pte Ltd), marks a significant achievement in the field of Additive manufacturing. This partnership signifies a commitment to cutting-edge technology and innovation. Leveraging EOS's advanced AM solutions, the company has not only enhanced its technological capabilities but also positioned itself at the forefront of the rapidly evolving Additive Manufacturing industry.

Investing in Advanced Technology

Our vertically integrated facilities are highly dependent on technology to ensure smooth and effective functioning, thereby making it conducive for us to continue to modernize and upgrade the technology used by us. New technologies are constantly being developed for the various processes of manufacturing and we have invested in the latest available technology, plant, and machinery to ensure that our manufacturing processes are up to date. We intend to continue upgrading our technology to keep ourselves competitive and efficient. A notable example is the indigenous development of a polymer printer JK Print 300 and JKPM3 series, a Powder Management System, by our material subsidiary; Neumesh Labs Private Limited unveiled at IMTEX 23 Fair in Bengaluru.

EXPORT OBLIGATION:

Our Company does not have any export obligation, as on date of this Draft Letter of Offer.

HUMAN RESOURCES

The Company believes that our workforce is one of our most valuable assets as the growth and success of our Company depends on the contribution of our people. Our human resource focus areas are on talent management, learning and development, diversity and inclusion, employee well-being and health and safety. As on date of this Draft Letter of Offer, our Company along with its group entities has a total workforce of 85 employees.

INFORMATION TECHNOLOGY

We intent to adopt and implement a Group-level information security policy, which would include provisions on protection of sensitive personal information.

COMPETITION

The Company confronts formidable competition from well-established industry leaders, characterized by robust brand recognition, extensive resources, and established customer relationships. The strength of these players poses a tangible threat to the Company's market share and overall competitiveness. To mitigate this challenge, the Company shall strategically differentiate itself through innovation, superior customer engagement, and operational excellence. These initiatives will not only fortify the Company's position in the market but also ensure sustained growth amidst the intense competition posed by these industry stalwarts.

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OUR MANAGEMENT

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations, and the Articles of Association.

Our Articles of Association requires us to have not less than three and not more than fifteen Directors. As on the date of filing of this Draft Letter of Offer, we have six (6) Directors on our Board, comprising of 1 executive director, five (5) non-executive directors including three (3) independent directors, and one (1) woman director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and the constitution of committees thereof.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, is liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Independent Directors shall be on the basis of, inter alia, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

BOARD OF DIRECTORS

The following table provides details regarding the Board of Directors of our Company as of the date of this Draft Letter of Offer:

No.	Name, address, DIN, date of birth, term, date of expiration of the current term of office, period of directorship, occupation	Designation	Other directorships
1.	**Abhishek Singhania** ***Address:*** G. H. Singhania, J. K. House, 3 Barakhamba Road, Delhi – 110 001, New Delhi, India ***DIN:*** 00087844 ***Date of Birth:*** April 6, 1973 ***Age:*** 50 years ***Date of Expiration of current term:*** June 30, 2024 ***Period of Directorship:*** Since January 4, 2021 ***Occupation:*** Professional	Chairman and Managing Director	• JK Defence & Aerospace Limited; • J K Technosoft Limited; • PGA Securities Private Limited; • B.G.K. Infrastructure Developers Private Limited; • Neumesh Labs Private Limited; • Diensten Tech Limited; • Nebula3D Services Private Limited; • Uttar Pradesh Cricket Association; • J.K. Traders Limited; • JK Urbanscapes Developers Limited (formerly known as J.K. Cotton Limited) • Merchants Chamber of Uttar Pradesh
2.	**Maneesh Mansingka** ***Address:*** 54/74, Green Meadows Farm, Shahurpur, Chattar Pur, South Delhi, Delhi - 110 074, India ***DIN:*** 00031476 ***Date of Birth:*** July 24, 1972	Non-Executive Non-Independent Director	• Ethanol Advisors Private Limited • Shree Shubham Logistics Limited; • Punarvasu Financial Services Private Limited; • B.G.K. Infrastructure Developers Private Limited;

	Age: 51 years ***Date of Expiration of current term:*** Liable to retire by rotation ***Period of Directorship:*** Since May 7, 2022 ***Occupation:*** Professional		• Indamer Mjets Airport Services Private Limited; • Surya Commercial Limited; • Singer India Limited; • Pioneer Projects Limited; • J.K. Urbanscapes Developers Limited (formerly known as J.K. Cotton Limited) • Illingworth Advisors LLP (Designated Partner) • Studio Shweta LLP (Designated Partner) • TIA Advisors LLP (Designated Partner) • Pioneer J.K. Senior Living LLP (Nominee Designated Partner)
3.	**Partho Pratim Kar** ***Address:*** A-94, Sector-30, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh - 201 301, India ***DIN:*** 00508567 ***Date of Birth:*** December 19, 1963 ***Age:*** 60 years ***Date of Expiration of current term:*** Liable to retire by rotation ***Period of Directorship:*** Since February 12, 2021 ***Occupation:*** Professional	Non-Executive Non-Independent Director	• J K Technosoft Limited; • Allen Reinforced Plastics Private Limited; • JK Digital & Advance Systems Private Limited; • JK Defence & Aerospace Limited; • Brookes Enterprises Private Limited; • Nebula3D Services Private Limited; • Neumesh Labs Private Limited; • E S Square Enterprises Private Limited; • Quest Academics Private Limited • JK Phillips LLP (Designated Partner)
4.	**Renu Nanda** ***Address:*** 7/90-D 403, Mansarovar Apartment, Tilak Nagar, near Rajeev Petrol Pump Tilak Nagar, Swaroop Nagar, Katarijiyora Nawab Ganj, Kheora, Kanpur Nagar, Uttar Pradesh - 208 002, India ***DIN:*** 08493324 ***Date of Birth:*** August 8, 1958 ***Age:*** 65 years ***Date of Expiration of current term:*** August 13, 2024 ***Period of Directorship:*** Since August 14, 2019 ***Occupation:*** Professional	Non-Executive Independent Director	• Allen Reinforced Plastics Private Limited; • Neumesh Labs Private Limited
5.	**Rajiv Bajaj**	Non-Executive Independent Director	• Ganeshaonline Limited; • Bajaj Carbon Limited;

	Address: 97 Bajaj House Nehru Place New Delhi-110019 ***DIN:*** 00011638 ***Date of Birth:*** January 3, 1970 ***Age:*** 54 years ***Date of Expiration of current term:*** August 9, 2027 ***Period of Directorship:*** Since August 10, 2022 ***Occupation:*** Business		• Bajaj Capital Holdings Limited; • Bajaj Capital Nuvo Insurance Broking Limited; • Bajaj Capital Limited; • Bajaj Industrial Finance Limited; • Just Trade Securities Limited; • Bajaj Capital Investment Advisers Private Limited; • Bajaj Capital Insurance Broking Limited; • P-Nut Health Private Limited; • Bajaj Agro Industries (India) Private Limited • Omni Life Wellness Private Limited; • Organization of Financial Distributors; • Financial Intermediaries Association of India • Tiger Buildtech LLP (Designated Partner)
6.	**Rajesh Relan** ***Address:*** 421, The Magnolias, DLF Golf Course Road, DLF Golf Links, DLF Phase-V, Sikanderpur, Ghosi (68), DLF QE, Gurgaon - 122 002, Haryana, India ***DIN:*** 00505611 ***Date of Birth:*** September 17, 1966 ***Age:*** 57 years ***Date of Expiration of current term:*** August 9, 2027 ***Period of Directorship:*** Since August 10, 2022 ***Occupation:*** Professional	Non-Executive Independent Director	• Singer India Limited; • Alcopop Spirits Private Limited; • Ecomoney Insurance Brokers Private Limited; • University of Delhi Foundation • Relico Ventures LLP (Designated Partner)

Confirmations

1. Neither our Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

3. None of the Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the ten years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such

company.

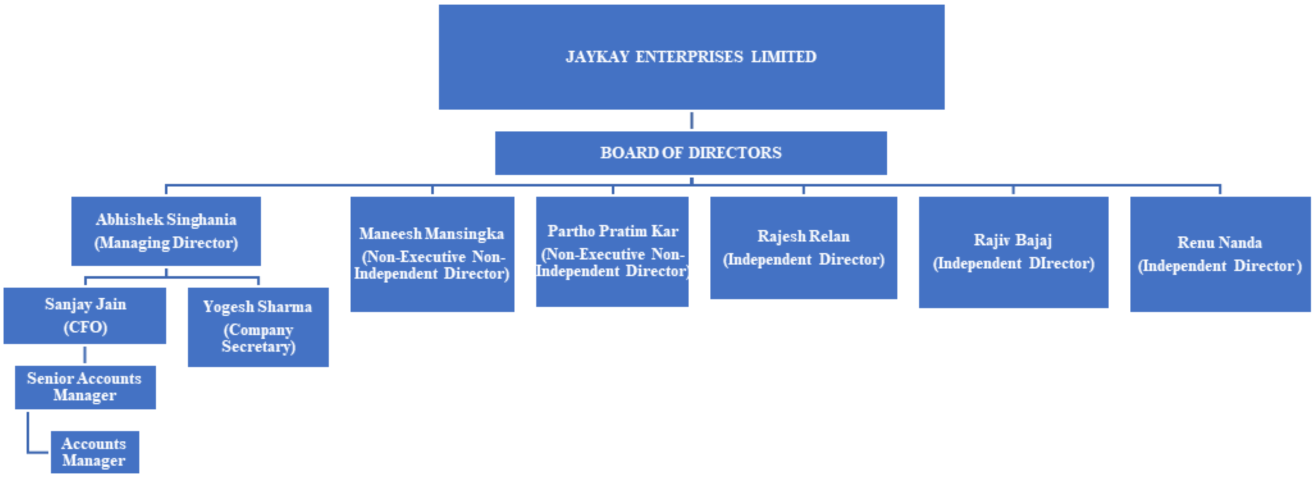
4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

5. None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

Details of Key Managerial Personnel and Senior Management

No.	Name of Key Managerial Personnel/Senior Management	Designation	Date of joining Company
Key Managerial Personnel/ Senior Management			
1.	Abhishek Singhania	Chairman and Managing Director	January 4, 2021
2.	Sanjay Kumar Jain	Chief Financial Officer	May 1, 2022
3.	Yogesh Sharma	Company Secretary & Compliance Officer	April 18, 2023

Management Organisation Structure



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SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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P. L. Tandon & CO.
CHARTERED ACCOUNTANTS

"WESTCOTT BUILDING"
MAHATMA GANDHI ROAD,
P.O. BOX No. 113
KANPUR - 208 001

Phones : 0512-2366774
: 9415433040
Web. : office@pltandon.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAYKAY ENTERPRISES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Jaykay Enterprises Limited ("hereinafter referred to as the "Holding Company") and its Subsidiary ("hereinafter referred to as "the Group"), its associate , which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated Profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and 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 opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to the Comments of Statutory Auditors of Nebula3D Services Private Limited(An Associate Company) in their Auditors Report as under:

P. L. TANDON & CO. KANPUR CHARTERED ACCOUNTANTS

Going Concern

The Company has substantial accumulated losses carried forward from the previous year and has incurred significant losses during the current year and previous financial years resulting in erosion of net worth as at 31 March 2023. However, the financial statements of the Company have been prepared on a going concern basis based on the financial support confirmed by the shareholders and other reasons stated in the notes to the financial statements of associate.

2 We draw attentions to the note no 42 to the consolidated financial statement which reads as under:

M/S Silver Grey Engineer - (a partnership firm) become subsidiary of Jaykay Enterprises Likited w.e.f. 21st April, 2022 during the year. Therefore , line-by- line conssolidsation of the firm has been done proportionately with effect from 21st April, 2022 to reporting date , i.e. 31st March, 2023.

The values have been taken from audited financial statements of M/s Silver Grey Engineers which have been prepared in accordance with Accounting Standard issued by the Institute of Chartered Accountants of India (ICAI) and there will be no significant impact on profit/loss for the year if financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) issued by ICAI as certified by the auditor of the associate firm.

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the year ended March 31 2023. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key Audit Matters to be communicated in our reports.

P. L. TANDON & Co. KANPUR CHARTERED ACCOUNTANT

Sl no.	Reporting	How was the Key Audit Matter addressed in the audit
1	**Assessment of Deferred Tax Assets not recognized by the holding company on carry forward of losses Rs. 1517.19 lacs (Refer note 33 to the consolidated financial statements)** The recognition and measurement of deferred tax items require determination of difference between the recognition and the measurement of assets , liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS .Assessment of deferred tax assets is done by the management at the close of each financial year taking into account forecast of future taxable results. Considering the probability of future taxable income , the company had not recognised Deferred tax Assets (DTA) of Rs. 382.00 lacs on carry forward loss of Rs 1517.19 lacs. We have considered the assessment of deferred tax liabilities and assets as a Key Audit Matter due to the importance of management estimation and judgement and a materiality of the amount.	**Principal Audit Procedure Performed** i We have tested the period over which the deferred tax assets on unabsorbed losses would be recovered against future taxable income. ii We have tested the management under lying assumption and judgement in estimating the future taxable income.

Our opinion is not modified in respect of above matter.

P.L. TANDON & Co. KANPUR CHARTERED ACCOUNTANTS

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

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

The Director's Report including Annexures to Director's Report etc. is not made available to us till the date of this report and is expected to be made available to us after the date of this Auditors' Report.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act. that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies: making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Group and of its associates are responsible for overseeing the financial reporting process of the Company and of its associates.

P.L. TANDON & CO. KANPUR CHARTERED ACCOUNTANT

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associates 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 consolidated 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 and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

P.L. TANDON & Co. KANPUR CHARTERED ACCOUNTANT

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the one associate included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervisions and performance of the audits carried out by him .We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of partnership firm and associate included in the consolidated financial statement whose financial statement reflects total assets of Rs.1104.97 Lacs and net assets of Rs.726.21 lacs as at 31st March,2023, total revenue of Rs.328.54 Lacs ,total net loss after tax of Rs.332.28 lacs for the year ended on 31st March, 2023 , net cash flow of Rs.53.49 lacs and share of loss of Rs.24.56 lacs is included in the consolidated financial statement for the year ended 31st March 2023 . The financial statement of the partnership firm and associate have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amount and disclosure included in respect of the associate and partnership firm , and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate and partnership firm , is based solely on the report of the other auditor.

Our opinion on the consolidated Financial statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors

P.L. TANDON & Co. KANPUR CHARTERED ACCOUNTANT

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Company as on 31st March, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of Subsidiary Company and associate companies, none of the directors of the Company, Subsidiary Company and associate companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Company, Subsidiary Company and associate companies the operating effectiveness of such controls, refer to our separate report in "Annexure-C"

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

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 year is in accordance with the provisions of section 197 of the Act

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates. Refer Note 36 (b) to the consolidated financial statements.

II. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate company.

P. L. TANDON & Co. KANPUR CHARTERED ACCOUNTANT

IV. (a) The respective Managements of the Company and its subsidiary and associate , whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiary and associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiary and associate .whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

V. The company has not declared or paid any dividend during the year.

For P. L. Tandon & Co.
Chartered Accountants
Registration Number: 000186C

P. L. TANDON & CO. ★ CHARTERED ACCOUNTANT ★ KANPUR

Date: 29-05-2023
Place: Kanpur

P.P. SINGH
(PARTNER)
Membership Number: 072754
UDIN NO: 23072754BGWEDG1770

P. L. Tandon & CO.
CHARTERED ACCOUNTANTS

"WESTCOTT BUILDING"
MAHATMA GANDHI ROAD,
P.O. BOX No. 113
KANPUR - 208 001

Phones : 0512-2366774
: 9415433040
Web. : office@pltandon.com

ANNEXURE "C" TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JAYKAY ENTERPRISES LIMITED

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March, 2023 , we have audited the internal financial controls over financial reporting of Jaykay Enterprises Limited ("hereinafter referred to as the "Holding Company") and its Subsidiary ("hereinafter referred to as "the Group"), its associate entity as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the

P.L. TANDON & CO. KANPUR CHARTERED ACCOUNTANT

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 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 Group and its associate entity internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

P. L. TANDON & Co. KANPUR CHARTERED ACCOUNTANT

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 Group and its associate entity, have , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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.

For P.L. Tandon Co.
Chartered Accountants
Registration Number: 000186C

P.L. TANDON & Co. KANPUR CHARTERED ACCOUNTANT

Date: 29-05-2023
Place: Kanpur

P.P.SINGH
(PARTNER)
Membership Number: 072754

Jaykay Enterprises Limited

CIN: L55101UP1961PLC001187

(Registered Office: Kamla Tower, Kanpur- 208001)

Consolidated Balance Sheet as at 31st March 2023

(₹ in Lacs)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non- Current Assets:			
(a) Property, Plant and Equipment	2(A)	2,093.85	515.43
(b) Investment Property	2(B)	514.50	524.48
(c) Capital Work In Progress	2(C)	71.25	726.52
(d) Right of Use Assets	2(D)	66.32	-
(e) Other Intangible Assets	2(E)	0.96	-
(f) Goodwill		382.71	-
(g) Goodwill on Consolidation		7.38	7.38
(h) Financial Assets			
(i) Investments	3	6,202.94	5,435.96
(ii) Other Financial Assets	4	720.62	125.00
(iii) Trade Receivables	5	99.97	429.14
		10,160.50	7,763.91
Current Assets:			
(a) Inventories	6	120.09	25.71
(b) Financial Assets			
(i) Cash and Cash Equivalents	7	1,264.26	810.48
(ii) Bank Balances	8	2,905.72	3,480.60
(iii) Loans	9	80.00	87.50
(iv) Other Financial Assets	10	276.70	275.79
(v) Trade Receivables	11	5,316.06	653.38
(c) Current Tax Assets (Net)	12	76.03	89.45
(d) Other current assets	13	327.06	9.41
		10,365.92	5,432.32
TOTAL ASSETS		20,526.42	13,196.23
EQUITY AND LIABILITIES			
Equity:			
(a) Equity Share Capital	14	524.68	475.92
(b) Fully Convertible Warrants	14	973.27	123.29
(c) Other Equity	15	13,097.59	11,133.13
(d) Non Controlling Interest		436.85	271.28
		15,032.39	12,003.62
Liabilities:			
Non Current Liabilities:			
(a) Financial Liabilities			
(i) Borrowings	16	559.88	-
ia) Lease Liabilities		57.44	-
(b) Provisions	17	2.61	1.42
(c) Deferred Tax Liabilities	18	18.68	0.02
		638.61	1.44
Current Liabilities:			
(a) Financial Liabilities			
(i) Borrowings	19	1,990.10	587.43
ia) Lease Liabilities		13.39	-
(ii).Trade payables	20	2,164.97	178.34
(iii).Other financial liabilities	21	383.81	404.93
(b). Other current liabilities	22	183.86	11.33
(c). Provisions	23	0.24	0.14
(d). Current Tax Liabilities (Net)	24	119.05	9.00
		4,855.42	1,191.17
TOTAL EQUITY AND LIABILITIES		20,526.42	13,196.23

The accompanying notes to the financial statements 1-43

This is the Balance Sheet referred to in our report of even date.

For PL Tandon and Co.
Chartered Accountants

P. L. TANDON & Co. ★ CHARTERED ACCOUNTANTS ★ KANPUR

CA Prithi Pal Singh
(Partner)

Place: New Delhi

Date: 29th May'2023

For and on behalf of the Board of Directors of
Jaykay Enterprises Limited

ABHISHEK SINGHANIA
Chairman and Managing Director
(DIN: 00087844)

PARTHO PRATIM KAR
Director
(DIN: 00508567)

SANJAY KUMAR JAIN
Chief Financial Officer
(M. No. 089301)

YOGESH SHARMA
Company Secretary and
Compliance Officer
(M. No. A29286)

Jaykay Enterprises Limited

CIN: L55101UP1961PLC001187

(Registered Office: Kamla Tower, Kanpur- 208001)

Consolidated Profit and Loss Statement for the year ended 31st March 2023

(₹ in Lacs)

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
INCOME:			
Revenue From Operations	25	4,695.53	1,070.15
Other Income	26	1,170.29	412.74
Total Income		**5,865.82**	**1,482.89**
EXPENSES:			
Cost of Construction & Development Expenses	27 (a)	7.82	-
Purchases of Stock in Trade	27 (d)	3,390.17	741.00
Cost of materials consumed	27 (b)	165.15	-
Changes in inventories of finished goods, Stock in Trade and work in progress	27 (c)	14.50	-
Employee benefits expense	28	264.11	93.12
Finance costs	29	105.66	18.72
Depreciation and amortization expense	30	158.44	18.11
Other expenses	31	629.87	362.32
Total expenses		**4,735.72**	**1,233.27**
Profit before Share of Profit/(Loss) of Associates, Exceptional Items and Tax		**1,130.10**	**249.62**
Share of Profit/(Loss) of Associates		(24.56)	1,645.94
Profit before Exceptional Items and Tax		**1,105.54**	**1,895.56**
Exceptional items	32	-	73.00
Profit before tax		**1,105.54**	**1,822.56**
Tax expense:			
- Current tax		255.79	64.00
- Deferred Tax		18.66	0.50
- Tax Expense of earlier years		4.37	-
Profit before Non Controlling Interest		**826.72**	**1,758.06**
Share of Non Controlling Interest		118.33	57.80
Profit for the year		**708.39**	**1,700.26**
Other Comprehensive Income			
Items that will be reclassified to profit or loss			
Fair Value change on Equity Instrument through Other Comprehensive Income		1,299.94	371.05
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefits Plan		-	0.39
Total other comprehensive income		**1,299.94**	**371.44**
Total comprehensive income for the year		**2,126.66**	**2,129.50**
Net Profit Attributable to:			
a) Owners of the Company		708.39	1,700.26
b) Non-Controlling Interest		118.33	57.80
Other Comprehensive Income Attributable to:			
a) Owners of the Company		1,299.94	371.44
b) Non-Controlling Interest		-	-
Total Comprehensive Income Attributable to:			
a) Owners of the Company		2,008.33	2,071.70
b) Non-Controlling Interest		118.33	57.80
Earnings per Equity Share of ₹ 1/- each in ₹			
- Basic		**1.43**	**3.70**
- Diluted		**1.31**	**3.34**

The accompanying notes to the financial statements 1-43

This is the Profit & Loss statement referred to in our report of even date.

For PL Tandon and Co.
Chartered Accountants

CA Prithi Pal Singh
(Partner)

P. L. TANDON & Co. KANPUR CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Jaykay Enterprises Limited

ABHISHEK SINGHANIA
Chairman and Managing Director
(DIN: 00087844)

PARTHO PRATIM KAR
Director
(DIN: 00508567)

SANJAY KUMAR JAIN
Chief Financial Officer
(M. No. 089301)

YOGESH SHARMA
Company Secretary & Compliance Officer
(M. No. A29286)

Place: New Delhi
Date: 29th May'2023

Jaykay Enterprises Limited

CIN: L55101UP1961PLC001187

(Registered Office: Kamla Tower, Kanpur- 208001)

Consolidated Cash Flow Statement for the year ended 31st March 2023

(₹ in Lacs)

Particulars	For the Year ended 31st March 2023		For the Year ended 31st March 2022	
A. Cash Flow from Operating Activities				
Profit / (Loss) before Tax and exceptional items as per Profit & Loss Account		1,105.54		1,700.26
Adjusted for				
Adjustment of Capital Reserve	-		(536.50)	
Share of Profit of Non-Controlling	-		(57.80)	
Depreciation	158.43		18.11	
Finance Cost	105.66		18.72	
Interest Received	(236.02)		(239.06)	
Dividend Income	(25.40)		(17.35)	
Loss/Assets Written Off	0.72		0.00	
Share of Loss of Associate	24.56		-	
OCI Adjustment	-		0.39	
Provisions / Balances written back	-		(20.12)	
Profit on sale of Investments	(808.04)	(780.09)	-	(833.61)
Operating Profit/(Loss) before Working Capital Changes		325.45		866.65
Adjusted for				
(Increase)/Decrease in Trade Receivables & Other Advances	(4,652.08)		(1,297.59)	
(Increase)/Decrease in Inventories	(94.38)		-	
(Increase)/Decrease in Security Deposits	(37.62)			
Increase/(Decrease) in Trade Payables & Other Liabilities	2,139.33	(2,644.75)	231.92	(1,065.67)
Cash Generated from Operations		(2,319.30)		(199.02)
Refund /(Income Tax Payment)		(136.69)		46.26
Net Cash Used in Operating Activities		(2,455.99)		(152.76)
B. Cash Flow from Investing Activities				
Redemption/(Investment) in Fixed Deposits		16.88		(1,093.56)
Acquisition of PPE and Intangible Assets		(1,059.59)		(1,206.54)
(Increase)/Decrease in Loans given		7.50		600.00
(Purchase)/Sale of Investments		833.74		(1,059.41)
Goodwill on share acquisition in partnership firm		(382.71)		-
Proceeds from issue of Share capital to Non-Controlling Interest		47.24		271.28
Interest Income		236.02		239.06
Dividend Income		25.40		17.35
Net Cash used in Investing Activities		(275.52)		(2,231.82)
C. Cash Flow from Financing Activities				
Proceeds from Issue of Equity Share Capital		48.76		40.87
Proceeds from Share Premium		438.85		367.88
Proceeds from Issue of Share Warrants		849.98		(102.19)
Lease Liabilities paid off		(9.19)		-
Increase in Short Term borrowings		1,402.67		587.43
Increase in Long Term borrowings		559.88		-
Finance Cost		(105.66)		(18.72)
Net Cash From Financing Activities		3,185.29		875.27
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		453.78		(1,509.31)
Opening Balance of Cash and Cash Equivalents		810.48		2,319.79
Closing Balance of Cash and Cash Equivalents		1,264.26		810.48

Notes :

1. Cash and cash equivalents consist of cheques,stamps in hand,balances with banks and deposits with original maturity of upto three months.
2. Reconciliation of cash and cash equivalents :

Cash and cash equivalents as per Note No. 7	1,264.26	810.48

For PL Tandon and Co.
Chartered Accountants

P.L. TANDON & Co. KANPUR CHARTERED ACCOUNTANTS

CA Prithi Pal Singh
(Partner)

Place: New Delhi

Date: 29th May'2023

For and on behalf of the Board of Directors of
Jaykay Enterprises Limited

ABHISHEK SINGHANIA
Chairman and Managing Director
(DIN: 00087844)

PARTHO PRATIM KAR
Director
(DIN: 00508567)

SANJAY KUMAR JAIN
Chief Financial Officer
(M. No. 089301)

YOGESH SHARMA
Company Secretary & Compliance Officer
(M. No. A29286)

Jaykay Enterprises Limited

Consolidated Statement Of Changes in Equity for the Year ended 31st March 2023

(₹ in Lacs)

A EQUITY SHARE CAPITAL

	As at 31st March 2023		As at 31st March 2022	
	No. of Shares (In Lacs)	Amount	No. of Shares (In Lacs)	Amount
Balance at the beginning of the year	475.92	475.92	435.05	435.05
Changes in equity share capital during the year	48.76	48.76	40.87	40.87
Balance as at the end of reporting period	**524.68**	**524.68**	**475.92**	**475.92**

B FULLY CONVERTIBLE WARRANTS

	As at 31st March 2023		As at 31st March 2022	
	No. of Warrants (In Lacs)	Amount	No. of Warrants (In Lacs)	Amount
Balance at the beginning of the year	49.32	123.30	90.19	225.48
Money received towards Warrants	-	365.71	-	-
Additional Issue of Warrants (Refer Note below)	59.89	973.27	-	-
Warrants lapsed	0.56	1.40	-	-
Warrants converted to Equity Share Capital	48.76	487.61	40.87	102.18
Balance as at the end of reporting period	**59.89**	**973.27**	**49.32**	**123.30**

Note The Company, through Preferential allotment, has allotted 59,89,330 fully convertible warrants at an issue price of ₹ 65/- per warrant for an aggregate amount of ₹ 38.93 crores to be convertible at an option of warrant holder(s) in one or more tranches within 18 (eighteen) months from its allotment date into equivalent number of fully paid-up equity shares of face value of ₹ 1/- on preferential basis to the persons belonging to promoter group of which 25% of allotment money is received in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements, 2018 as amended).

C OTHER EQUITY

(₹ in Lacs)

	Retained Earnings	Share Application Money Pending Allottment	Capital Reserve	Capital Redemption Reserve	Share Premium Account	Other Comprehensive Income	Total
Balance at the beginning of the reporting period i.e. 1st April,2022	**4,444.68**	-	**3,699.73**	**12.86**	**1,025.89**	**1,949.97**	**11,133.13**
Less : Transfer to Profit & Loss (Share in Associate Co.)							
ii. Nebula3D Services Pvt. Limited	-		-	-	-	-	-
Balance in Profit & Loss statement :			-	-	-	-	708.39
Balance in Statement of P & L	732.95			-	-	-	
Add : Share of Associate Company							
i. J.K.Cotton Limited	-						
ii. Nebula3D Services Pvt. Limited	(24.56)						
Share of OCI in Associates Co. :							
i. J.K.Cotton Limited (BGK Infrastructure Developers Pvt.Ltd.)							-
a. Share Premium	-		-	-	-	-	-
b. Retained Earnings	-		-	-	-	-	-
Re-measurement of defined benefits Plan :							
Re-measurement of defined benefits Plan (OCI)	-		-	-	-	-	
Add : Share of OCI in Associate Co.							
i. J.K.Cotton Limited	-					-	
ii. Nebula3D Services Pvt. Limited	-					-	

P. L. TANDON & Co. KANPUR CHARTERED ACCOUNTANTS

Jaykay Enterprises Limited

Consolidated Statement Of Changes in Equity for the Year ended 31st March 2023

(₹ in Lacs)

Fair Value change in Equity Instruments through Other Comprehensive Income (Net of Tax)							817.22
Reclassification of Other Comprehensive Income (Opening)	-					(482.72)	
Other Comprehensive Income for the year						1,299.94	
Add : Share of OCI in Associates Co.							-
i. J.K.Cotton Limited	-					-	-
ii. Nebula3D Services Pvt. Limited	-					-	-
Add : Ind AS 115 Adjustment	-		-	-	-		
Balance in the Share Premium Accont					438.85		438.85
Add: Additions during the year							
Balance at the end of the reporting period i.e. 31st March 2023	5,153.07	-	3,699.73	12.86	1,464.74	2,767.19	13,097.59

	Retained Earnings	Share Application Money Pending Allottment	Capital Reserve	Capital Redemption Reserve	Share Premium Account	Other Comprehensive Income	Total
Balance at the beginning of the reporting period i.e. 1st April 2021	2,744.42		4,236.23	12.86	658.01	1,578.53	9,230.05
Less : Transfer to Profit & Loss (Share in Associate Co. JK Cotton)			(536.50)				(536.50)
Less : Movement in OCI - J.K.Cotton Ltd.						-	-
Balance in Profit & Loss statement :							
Balance in Statement of P & L	1,699.87		-	-	-	-	1,699.87
Add : Share of Associates Company							-
i. J.K.Cotton Limited	-						
ii. Nebula3D Services Pvt. Limited	-						
Re-measurement of defined benefits Plan :							0.39
Re-measurement of defined benefits Plan (OCI)	-		-	-	-	-	
Add : Share of OCI in Associates Co.						-	
i. J.K.Cotton Limited	0.39						
ii. Nebula3D Services Pvt. Limited	-						
Fair Value change on Equity Instrument through Other Comprehensive Income (Net of Tax)							371.44
Fair Value Change in Statement of P & L	-					371.44	
Add : Share of OCI in Associates Co.						-	
i. J.K.Cotton Limited	-					-	
ii. Nebula3D Services Pvt. Limited	-					-	-
Add : Ind AS 115 Adjustment	-		-	-	-		
Balance in the Share Premium Accont					367.88		367.88
Add: Addition during the year							
Share Application Money Pending Allottment		524.28					524.28
Less: Share of Non-Controlling Interest		(127.68)					(127.68)
Less: Own Share		(396.60)					(396.60)
Balance at the end of the reporting period i.e. 31st March 2022	4,444.68	-	3,699.73	12.86	1,025.89	1,949.97	11,133.13

Jaykay Enterprises Limited

Notes to the Consolidated Financial statements for the year ended 31st March 2023

Note No. 1

CORPORATE INFORMATION

REPORTING ENTITY

The Consolidated Financial Statements comprise statements of Jaykay Enterprises Limited., its subsidiaries (Collectively, The Group) and associate for the year ended 31st March, 2023. Jaykay Enterprises Limited is a Public Limited Company domiciled in India and has its registered office at Kamla Tower, Kanpur, Uttar Pradesh, 208001. The Group is engaged in the business of additive manufacturing, prototyping, 3D printing etc.

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

PRINCIPLES OF CONSOLIDATION

i. The consolidated financial statements have been prepared on the following basis :

- **a.** The consolidated financial statements are prepared in accordance with " Indian Accounting Standard (Ind AS's) notified under the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 and other relevent provisions of ther Act as mentioned from time to time.
- **b.** The Financial statements of the Company and its Subsidiary have been consolidated on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- **c.** The Financial statements of the Company and its Associate have been consolidated on Equity method of accounting for investments in associates.
- **d.** The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- **e.** The Associate Company has prepared the Financial Statements in accordance with Indian Accounting Standards as issued by ICAI.

ii. Other Significant Accounting Policies:

These are set out under 'Significant Accounting Policies' as given in the Standalone Financial Statements of Jaykay Enterprises Limited except that Deferred Tax Liabilities have been provided by subsidiary company.

P.L. TANDON & Co. ★ KANPUR ★ CHARTERED ACCOUNTANT

Jaykay Enterprises Limited

Notes to the Consolidated Financial statements for the year ended 31st March 2023 *(₹ in Lacs)*

Note No. 2(A) :- Property, Plant and Equipment

FY 2022-23

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 1st April 2022	Additions	Adjustment/ Deductions	As at 31st March 2023	As at 1st April 2022	For the Year	Adjustment/ Deductions	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
1	Leasehold Land	0.44	-	-	0.44	0.07	-	-	0.07	0.37	0.37
2	Buildings	712.50	-	-	712.50	210.35	8.74	0.10	218.99	493.51	502.15
3	Plant & Equipment	46.30	1,703.77	0.72	1,749.35	37.79	124.07	-	161.86	1,587.49	8.51
4	Furniture & Fixtures and Office Equipment	5.80	8.64	-	14.44	1.98	1.29	-	3.27	11.17	3.82
5	Vehicles	11.68	0.83	-	12.51	11.10	0.10	-	11.20	1.31	0.58
	TOTAL	**776.72**	**1,713.24**	**0.72**	**2,489.24**	**261.29**	**134.20**	**0.10**	**395.39**	**2,093.84**	**515.43**
	Previous Year	**766.58**	**10.22**	**0.08**	**776.72**	**249.28**	**12.08**	**0.08**	**261.29**	**515.43**	**517.30**

FY 2021-22

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 1st April 2021	Additions	Adjustment/ Deductions	As at 31st March 2022	As at 1st April 2021	For the Year	Adjustment/ Deductions	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
1	Leasehold Land	0.44	-	-	0.44	0.07	-	-	0.07	0.37	0.37
2	Buildings	712.50	-	-	712.50	201.38	8.97	-	210.35	502.15	511.12
3	Plant & Equipment	39.55	7.27	0.08	46.74	35.91	1.97	0.08	37.80	8.94	3.64
4	Furniture & Fixtures and Office Equipment	2.40	2.95	-	5.35	1.70	0.27	-	1.96	3.39	0.70
5	Vehicles	11.69	-	-	11.69	10.23	0.87	-	11.10	0.59	1.46
	TOTAL	**766.58**	**10.22**	**0.08**	**776.72**	**249.28**	**12.08**	**0.08**	**261.29**	**515.43**	**517.30**
	Previous Year	**289.34**	**486.64**	**9.40**	**766.58**	**250.14**	**8.04**	**8.90**	**249.28**	**517.30**	**39.20**

Note No. 2(B) :- Investment Property

FY 2022-23

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 1st April 2022	Additions	Adjustment/ Deductions	As at 31st March 2023	As at 1st April 2022	Additions	Adjustment/ Deductions	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
1	Buildings (Refer Notes below)	563.18	-	-	563.18	38.70	9.98	-	48.68	514.50	524.48
	TOTAL	**563.18**	**-**	**-**	**563.18**	**38.70**	**9.98**	**-**	**48.68**	**514.50**	**524.48**
	Previous Year	**93.37**	**469.82**	**-**	**563.18**	**32.68**	**6.02**	**-**	**38.70**	**524.48**	**60.69**

Note I:- The Investment property includes Flat No. 301, 3rd Floor, Building No. 2, Masjid Moth, Greater Kailash-II, New Delhi, 110048 mortgaged as collateral security against credit facilities availed by subsidiary concern, Neumesh Labs Private Limited amounting to ₹ 1,712 Lacs as on 31st March 2023. (Refer Note No. 36b)

P. L. TANDON & Co. ★ KANPUR ★ CHARTERED ACCOUNTANT

(₹ in Lacs)

Note II:- The fair market value of above investment properties as on 31st March 2023, are as under:-

Particulars	Amt in ₹ Lacs
Ground Floor, JK Building, Masjid Moth, New Delhi	225.00
Third Floor, JK Building, Masjid Moth, New Delhi	400.00
Flat No 42, Sarnath Cooperative Housing Society, Mumbai	1,200.00
Flat No A-3, First Floor, Girdhar Apartments New Delhi	150.00

FY 2021-22

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 1st April 2021	Additions	Adjustment/ Deductions	As at 31st March 2022	As at 1st April 2021	For the Year	Adjustment/ Deductions	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
1	Buildings	93.37	469.81	-	563.18	32.68	6.02	-	38.70	524.48	60.69
	TOTAL	**93.37**	**469.81**	-	**563.18**	**32.68**	**6.02**	-	**38.70**	**524.48**	**60.69**
	Previous Year	**96.86**	-	**3.49**	**93.37**	**32.23**	**2.40**	**1.96**	**32.68**	**60.69**	**64.62**

Note:- The Company does not hold title of three cases of building having Gross Block ₹ 87.63 Lacs and Net Block ₹ 38.70 Lacs as per below schedule

Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter/director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of company
PPE	Land & Building situated at 5, Riverside Road, North 24 Parganas, Barrackpore , Kolkata	4,86,606.00	-	No	01-07-1977	Refer Note 1
PPE	Basement, Ground & Seventh Floor at GK-II, New Delhi	80,94,935.00	-	No	05-09-1985	Refer Note 2
PPE	Flat No.42, Sarnath, Mumbai	1,81,774.00	-	No	19-07-1968	Refer Note 3

Note :

1. The land & building being leasehold land, was transferred to the company vide order of Hon'ble High Court of Calcutta dated 15/05/79, passed u/s 391(2), 392, 393 and 394 of the Companies Act 1956, w.e.f.01/07/1977 amalgamating M/s J.K. Steel Industries Ltd. with the company. The original title deeds are held in the name of transferror company and by virtue of order of Hon'ble High Court, the lease hold rights now vest with the company.

2. The floors are part of Eight Floor (Ground + 7 floors + Basement) building at GK-II, Masjid Moth, New Delhi. The land was allotted on perpetual lease to M/s Vipps India Delhi, a partnership firm having its registered office at 16, Ring Road, Lajpat Nagar, New Delhi by Delhi Development Authority vide lease deed dated.06th Feb 1981. The company entered into registered agreement for sale dated 5th Sep 1985 with M/s VIPPS India for constructing the aforesaid multistorey commercial building and to sell the same to erstwhile M/s J.K. Synthetics Ltd. The entire consideration or purchase price in terms of agreeement dated 5th Sep 1985 including additional purchase price agreed to be paid pursuant to agreement dated 7th Dec 1988 was paid by the company to M/s VIPPS INDIA who handed over and delivered possession of the building to the company. In view of above the company is seized of and otherwise sufficiently entitled to the said building having acquired from VIPPS INDIA perpetual rentable and transferable ownership rights thereof.

3. As per the agreement (duly stamped and registered by collector of stamps Mumbai) dated.19th July 1968, Flat No.42, Sarnath, Mumbai, was acquired by the company in a multistoryed building, As per the aforesaid agreement the conveyance deed was to be executed in favor of the co-operative housing society to be formed subsequently for which purpose the company paid ₹ 1/- towards membership fee, ₹ 250/- towards share money and ₹ 250/- towards legal cost. Pursuant to aforesaid New Sarnath Co-operative Housing Society Limited was duly registered under the Maharashtra Co-operative Societies Act, 1969 under no.BOM/WD/HSG/8115 dated.29/09/2000 and the company was allotted 5 shares of ₹ 50/- each to which is annexed the right of ownership of the said premises.

P.L. TANDON & Co. ★ KANPUR ★ CHARTERED ACCOUNTANT

Jaykay Enterprises Limited

Notes to the Consolidated Financial statements for the year ended 31st March 2023

(₹ in Lacs)

Note No. 2(C) :- Capital Work In Progress

FY 2022-23

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 1st April 2022	Additions	Adjustment/ Deductions	As at 31st March 2023	As at 1st April 2022	Additions	Adjustment/ Deductions	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
1	Capital Work In Progress	726.52	724.19	1,379.46	71.25	-	-	-	-	71.25	726.52
	TOTAL	**726.52**	**724.19**	**1,379.46**	**71.25**	-	-	-	-	**71.25**	**726.52**
	Previous Year	-	**726.52**	-	**726.52**	-	-	-	-	**726.52**	-

FY 2021-22

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 1st April 2021	Additions	Adjustment/ Deductions	As at 31st March 2022	As at 1st April 2021	For the Year	Adjustment/ Deductions	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
1	Capital Work In Progress	-	726.52	-	726.52	-	-	-	-	726.52	-
	TOTAL	-	**726.52**	-	**726.52**	-	-	-	-	**726.52**	-
	Previous Year	-	-	-	-	-	-	-	-	-	-

Note 2(C)(i) Capital Work in Progress Aging Schedule as on 31st March 2023

FY 2022-23

Sl. No.	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Projects in Progress	71.25	-	-	-	**71.25**
2	Projects temporarily suspended	-	-			-

FY 2021-22

Sl. No.	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	Projects in Progress	726.52	-	-	-	**726.52**
2	Projects temporarily suspended	-	-			-

Jaykay Enterprises Limited

Notes to the Consolidated Financial statements for the year ended 31st March 2023

(₹ in Lacs)

Note No. 2(D) :- Right Of Use Assets

FY 2022-23

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 1st April 2022	Additions	Adjustment/ Deductions	As at 31st March 2023	As at 1st April 2022	Additions	Adjustment/ Deductions	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
1	ROU Assets	-	80.02	-	80.02	-	13.70	-	13.70	66.32	-
	TOTAL	-	80.02	-	80.02	-	13.70	-	13.70	66.32	-
	Previous Year	-	-	-	-	-	-	-	-	-	-

Note No. 2(E) :- Other Intangible Assets

FY 2022-23

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 1st April 2022	Additions	Adjustment/ Deductions	As at 31st March 2023	As at 01-04-2022	For the Year	Adjustment/ Deductions	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
1	Intangible Assets	-	1.61	-	1.61	-	0.65	-	0.65	0.96	-
	TOTAL	-	1.61	-	1.61	-	0.65	-	0.65	0.96	-
	Previous Year	-	-	-	-	-	-	-	-	-	-

P.L. TANDON & Co. ★ KANPUR ★ CHARTERED ACCOUNTANT

	PARTICULARS	As at 31st March 2023 Consolidated	As at 31st March 2022 Consolidated
3	**Non-Current Investments**		
	-In Unquoted Equity Instruments:		
	In Subsidiary (At Cost):		
	59,49,800 shares (Previous Year- 20,55,000) of Neumesh Labs Private Limited	-	-
	99% share (Previous Year- NIL) in M/s SilverGrey Engineers	-	-
	In Associate (At Cost):		
	5,45,957 shares (Previous Year- 5,45,957) of Nebula 3D Services Private Limited	-	-
	Others (At Cost/Book Value):		
	95,10,360 shares (Previous Year- 95,10,360) of J.K.Cotton Limited	2,718.97	2,718.97
	Others	2.23	2.23
	-In Preference Shares:		
	In Associate (At Cost):		
	30,00,000 9% Non-convertible reedemable preference shares (Previous Year- 30,00,000) of Nebula 3D Services Private Limited	262.28	286.85
	Aggregate amount of Unquoted Investments	**2,983.48**	**3,008.05**
	-In Quoted Equity Instruments: (At FVTOCI)		
	4,07,000 (Previous Year- 4,07,000) Equity shares of J.K Lakshmi Cement Limited	3,219.17	1,919.21
	21,571 Equity shares of Bengal & Assam Co. Limited (Current Year- NIL)	-	508.42
	1 (Previous Year- 1) Equity share of Simplex Mills Co.	-	0.00
	6 (Previous Year- 3) Equity shares of Gloster Limited	0.02	0.03
	100 (Previous Year- 100) Equity shares of Jessop and Company Limited	0.01	0.01
	125 (Previous Year- 125) Equity shares of Howrah Mills Company Limited	0.01	0.01
	198 (Previous Year- 198) Equity shares of Auckland International Limited	-	-
	4,200 (Previous Year- 525) Equity shares of New India Retailing & Investment Limited	0.23	0.23
	5 (Previous Year- 5) Equity shares of Tata Power Co. Limited	0.01	-
	5 (Previous Year- NIL) Equity shares of Tata Steel Limited	0.01	-
	Aggregate amount of Quoted Investments	**3,219.46**	**2,427.91**
	Total Non-Current Investments	**6,202.94**	**5,435.96**
	Aggregate amount for Impairment in value of Investments	1,299.94	371.05
	Aggregate amount of quoted investments at Cost	4,519.40	2,798.96
	Market value of quoted Investments	3,219.46	2,427.91
	Category-wise non current Investments		
	Investment carried at cost	2,983.48	3,008.06
	Investment measured at FVOCI	3,219.46	2,427.91

* The Company has acquired 99% stake in partnership firm M/s SilverGrey Engineers, with effect from 21st April 2022 with Ujala Merchants being the other partner holding 1% share.
Fixed Capital Investment is INR 792 Lacs which has been included in Unquoted Investments above and is being carried at cost.

4	**Other Non current Financial Assets**		
	Fixed Deposits	683.00	125.00
	Security Deposits	37.62	-
		720.62	**125.00**
5	**Non Current Trade Receivables (Carried at Amortized Cost)**		
	Trade Receivables Considered Good- Unsecured	99.97	429.14
		99.97	429.14

Trade Receivables Ageing Schedule 31st March 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(A) Undisputed trade receivables		-					
(i) Considered Good	99.97						99.97
(ii) Considered Doubtful	-	-	-	-	-	-	-
(B) Disputed trade receivables							
(i) Considered Good	-	-	-	-	-	-	-
(ii) Considered Doubtful	-	-	-	-	-	-	-
Total	**99.97**	-	-	-	-	-	**99.97**

P.L. TANDON & Co. ★ KANPUR ★ CHARTERED ACCOUNTANT

Notes to the Consolidated Financial statements for the Year ended 31st March 2023 (₹ in Lacs)

	PARTICULARS	As at 31st March 2023 Consolidated	As at 31st March 2022 Consolidated
12	**Current Tax Assets**		
	Income Tax Recoverable	47.06	89.45
	Advance Tax	28.97	-
		76.03	**89.45**
13	**Other Current Assets (Unsecured considered good)**		
	Prepaid expenses	3.82	2.84
	Advance to Suppliers	-	6.57
	Advance to Employees	0.59	-
	Deposit with Government Authorities:		
	a) GST Input Tax Credit	322.65	-
		327.06	**9.41**
14	**Equity Share Capital**		
	Authorised:		
	125,00,00,000 (Previous Year 125,00,00,000) Equity shares of ₹ 1/- each	12,500.00	12,500.00
	Cumulative redeemable preference shares		
	2,00,000 (Previous Year 2,00,000) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	200.00	200.00
	6,00,000 (Previous Year 6,00,000) 14% Cumulative Redeemable Preference Shares of ₹ 100/- each	600.00	600.00
	2,00,000 (Previous Year 2,00,000) 15% Cumulative Redeemable Preference Shares of ₹ 100/- each	200.00	200.00
	5,00,000 (Previous Year 5,00,000) Unclassified Shares of ₹ 100/- each	500.00	500.00
		14,000.00	14,000.00
	Issued, Subscribed & Paid Up		
	5,24,68,358 (Previous Year 4,75,92,252) Equity shares of ₹ 1/- each	524.68	475.92
		524.68	475.92
	Fully Convertible Warrants of ₹10 each (25% Paid-up)	973.27	123.29
	59,89,330 (Previous Year 49,31,500) Fully Convertible warrants of ₹10/- each issued to be converted within 18 months from the date of allotment		

Rights, Preferences and restrictions attached to Equity Shares:

The Company has single class of equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share in the paid- up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

14.1 The reconciliation of number of shares outstanding is as under:

	No. of Shares	No. of Shares
Equity Shares at the Beginning of the year	4,75,92,252	4,35,04,752
Changes during the year	48,76,106	40,87,500
48,76,106 (Previous Year 40,87,500) Equity Shares of ₹1/- each issued on Preferential basis		
Equity Shares at the end of the year	5,24,68,358	4,75,92,252

14.2 Details Of Shareholders Holding More Than 5 % Shares

S. No.	Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
		No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
1	Smt. Sushila Devi Singhania	43,42,787	8.28%	43,42,787	9.12%
2	J. K. Traders Ltd.	1,27,51,142	24.30%	1,00,69,642	21.16%
3	Shri Abhishek Singhania	93,86,974	17.89%	71,92,368	15.11%

14.3 Details of Shareholding of Promoters

Name of Promoter	No. of Shares	% of Shares Held	% Change during the year
Gaur Hari Singhania ji with Vasantlal D. Mehta & Raghubir Prasad Singhania	100	0.00%	0.00%
Smt. Sushila Devi Singhania	43,42,787	8.28%	0.00%
Smt. Kavita Yadupati Singhania	27,266	0.05%	0.00%
Shri Abhishek Singhania	93,86,974	17.89%	2.78%*
Smt. Manorama Devi Singhania	1,57,333	0.30%	0.00%
Shri Satish Kumar Agarwal	4	0.00%	0.00%
Yadu Securities Pvt. Ltd.	200	0.00%	0.00%
G.H. Securities Pvt. Ltd.	100	0.00%	0.00%
J.K. Traders Ltd.	1,27,51,142	24.30%	3.14%**
Shri Ramapati Singhania	2,48,318	0.47%	0.00%
Total	2,69,14,224	51.30%	5.92%

* Change in shareholding is due to conversion of 21,94,606 warrants issued to Shri Abhishek Singhania during the year on 30th Sep 2022.

** Change in shareholding is due to conversion of 26,81,500 warrants issued to J.K Traders Limited during the year on 30th Sep 2022.

P. L. TANDON & CO. ★ CHARTERED ACCOUNTANT ★ KANPUR

Jaykay Enterprises Limited

Notes on Consolidated Financial statements for year ended 31st March 2023

(₹ in Lacs)

15 Other Equity

	Retained Earnings	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Share Premium Account	Other Comprehensive Income	Total
Balance as per last balance as on 1st April, 2022	4,444.68	-	3,699.73	12.86	1,025.89	1,949.97	11,133.13
Less : Transfer to Profit & Loss (Share in Associate Co.)							
i. J.K.Cotton Limited	-	-	-	-	-	-	-
Less : Movement in OCI - J.K.Cotton Ltd.	-	-	-	-	-	-	-
Balance in Profit & Loss statement :							708.39
Balance in Statement of P & L	732.95		-	-	-	-	
Add : Share of Associates Company							
i. Nebula3D Services Pvt. Limited	(24.56)		-	-	-	-	
Re-measurement of defined benefits Plan :							-
Re-measurement of defined benefits Plan (OCI)	-		-	-	-	-	
Add : Share of OCI in Associates Co.			-	-	-	-	
i. Nebula3D Services Pvt. Limited	-		-	-	-	-	
Fair Value change on Equity Instrument through Other Comprehensive Income [Net of Tax]							817.22
Reclassification of Other Comprehensive Income (Opening)	-		-	-	-	(482.72)	
Other Comprehensive Income for the year						1,299.94	
Add : Share of Associates Company							
i. Nebula3D Services Pvt. Limited	-		-	-	-	-	
Add : Ind AS 115 Adjustment	-		-	-	-	-	-
Balance in Share Premium Account							
Add: Addition during the year					438.85		438.85
Balance at the end of 31st March,2023	5,153.07	-	3,699.73	12.86	1,464.74	2,767.19	13,097.59

	Retained Earnings	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Share Premium Account	Other Comprehensive Income	Total
Balance as per last balance as on 1st April 2021	2,744.42	-	4,236.23	12.86	658.01	1,578.53	9,230.05
Less : Transfer to Profit & Loss (Share in Associate Co.)							
i. J.K.Cotton Limited	-	-	(536.50)	-	-	-	(536.50)
Less : Movement in OCI - J.K.Cotton Ltd.	-	-	-	-	-	-	-
Balance in Profit & Loss statement :							
Balance in Statement of P & L	1,699.87	-	-	-	-	-	1,699.87
Add : Share of Associates Company							
i. J.K.Cotton Limited	-	-	-	-	-	-	
ii. Nebula3D Services Pvt. Limited	-	-					

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Jaykay Enterprises Limited

Notes on Consolidated Financial statements for year ended 31st March 2023

(₹ in Lacs)

15 Other Equity

	Retained Earnings	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Share Premium Account	Other Comprehensive Income	Total
Re-measurement of defined benefits Plan :							0.39
Re-measurement of defined benefits Plan (OCI)	-	-	-	-	-	-	
Add : Share of OCI in Associates Co.							
i. J.K.Cotton Limited	0.39	-	-	-	-	-	
ii. Nebula3D Services Pvt. Limited	-	-	-	-	-	-	
Fair Value change on Equity Instrument through Other Comprehensive Income [Net of Tax]							371.44
Fair Value Change on Equity in Statement of P & L	-	-	-	-	-	371.44	
Add : Share of Associates Company							
i. J.K.Cotton Limited	-	-	-	-	-	-	
ii. Nebula3D Services Pvt. Limited	-	-	-	-	-	-	
Add : Ind AS 115 Adjustment	-	-	-	-	-	-	-
Balance in Share Premium Account							
Add: Addition during the year					367.88		367.88
Share Application Money Pending Allotment		425.60					425.60
Less: Share of Non-Controlling Interest		(127.68)					(127.68)
Less: Own Share		(297.92)					(297.92)
Balance at the end of 31st March 2022	4,444.68	-	3,699.73	12.86	1,025.89	1,949.97	11,133.13

Notes to Other Equity :-

15.1 Retained Earnings represents the cumulative Profits of the Company and effect of re-measurement of defined plans. This reserve can be utilized in accordance with provisions of the Companies Act, 2013.

15.2 Share Premium Account represents the amount received in excess of face value of shares issued in earlier years.

15.3 Other Comprehensive Income (OCI) represents the Fair Value Changes of Specified items which would be re-classified to profit or loss account in future years.

P. L. TANDON & Co. ★ CHARTERED ACCOUNTANT ★ KANPUR

(₹ in Lacs)

	PARTICULARS	As at 31st March 2023 Consolidated	As at 31st March 2022 Consolidated
16	**Long Term Borrowings**		
	Term Loans (Secured)		
	a) From Banks (Refer Note below)	559.88	-
		559.88	-

Note:- Term Loan of INR 6 crs. taken from SBI in Nov'2022, along with CC facility of 11 crs. against mortgage of Flat No 301, Third Floor, Masjid Moth, GK-II, New Delhi-110048 owned by holding company M/s Jaykay Enterprises Limited and corporate guarantee for Neumesh Labs

Repayment schedule	Within 1 year	1-2 years	2-3 years	More than 3 years	Total
Term Loans	132.52	218.08	131.50	210.30	692.40

		2023	2022
17	**Long Term Provisions**		
	Provision for Leave Encashment	2.61	1.42
		2.61	1.42
18	**Deferred Tax Liability (Net)**		
	On difference between book balance and tax balance of fixed assets	18.68	0.02
	Tax effect of items constituting deferred tax liability	18.68	0.02
19	**Short Term Borrowings**		
	Secured		
	(a) Credit Balance of FD/OD Accounts	1,615.87	587.43
	(b) Current Maturity of Long Term Borrowings	132.52	-
	Unsecured	-	
	(a) Credit Balance of FD/OD Accounts	241.71	
	(b) Borrowings from Related Parties	-	-
		1,990.10	587.43
20	**Trade Payables (Carried at Amortized Cost)**		
	Micro, Small and Medium Enterprises	71.14	2.22
	Others	2,093.83	176.12
		2,164.97	178.34

Trade Payables Ageing Schedule 31st March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	71.14	-	-	-	71.14
ii) Others	1,926.20	160.71	-	-	2,086.91
iii) Disputed Dues- MSME	-	-	-	-	-
iv) Disputed Dues- Others	-	-	-	6.92	6.92
Total	1,997.34	160.71	-	6.92	2,164.97

Trade Payables Ageing Schedule 31st March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	2.22	-	-	-	2.22
ii) Others	8.49	160.71	-	-	169.20
iii) Disputed Dues- MSME	-	-	-	-	-
iv) Disputed Dues- Others	-	-	6.92	-	6.92
Total	10.71	160.71	6.92	-	178.34

		2023	2022
21	**Other Current Financial Liabilities (Carried at Amortized Cost)**		
	Security Deposits	8.05	19.65
	Payable to Debenture holders/Preference Shares holders *	72.92	72.92
	Other Liabilities	13.87	17.20
	Other Payables**	288.97	295.16
		383.81	404.93

* These amounts have been claimed by Debentures/Preference Shares holders but held in abeyance due to non-completion of legal formalities.

** Other Payables includes Employees Liabilities and advance against Sale of Property etc.

		2023	2022
22	**Other Current Liabilities**		
	Statutory Dues Payable	183.86	11.33
		183.86	11.33
23	**Short Term Provisions**		
	Provision for Bonus	0.12	0.07
	Provision for Leave Encashment	0.12	0.07
		0.24	0.14
24	**Current Tax Liabilities**		
	Current tax liability (Net of tax paid)	121.00	9.00
	TDS Recoverable	(1.95)	-
		119.05	9.00

P.L. TANDON & CO. ★ KANPUR ★ CHARTERED ACCOUNTANT

Jaykay Enterprises Limited

Notes to the Consolidated Financial statements for year ended 31st March 2023

(₹ in Lacs)

	PARTICULARS	Year ended 31st March 2023 Consolidated	Year ended 31st March 2022 Consolidated
25	**Revenue From Operations**		
	Sale of Products	298.23	-
	Sale of Services	59.12	39.15
	Sale of Software	1,952.00	1,031.00
	Service Charge Income	560.68	-
	Sale of Finished Goods	8.80	-
	Sale of Printer & Accessories	1,811.00	-
	Income From Printfarm	5.00	-
	Other Sales	0.70	-
		4,695.53	**1,070.15**
26	**Other Income**		
	Interest Income	236.01	239.06
	Dividend Income	25.40	17.35
	Rent Received on Investment Property	64.69	55.03
	Rent Received others	34.69	76.68
	Profit On Sale Of Investments	-	-
	Profit On Sale Of Assets	-	-
	Liabilities no longer required written back	-	21.21
	Profit on Sale of Investments	808.04	
	Miscellaneous Receipts	1.46	3.41
		1,170.29	**412.74**
27 (a)	**Cost of Construction and Development Expenses**		
	Kota Land Development Expenses	7.82	-
		7.82	-
27 (b)	**Cost of Material Consumed**	**165.15**	-
27 (c)	**Changes in inventories of finished goods, Stock in Trade and work in progress**		
	WIP Inventories at the beginning of the year (A)	81.34	-
	Other Inventories at the beginning of the year (B)	1.74	-
	WIP Inventories at the end of the year (C)	67.19	-
	Other Inventories at the end of the year (D)	1.39	-
	Change in Inventories (A+B-C-D)	**14.50**	-
27 (d)	**Purchase of Stock in Trade**		
	Purchase of Software	1,830.00	741.00
	Purchase of Finished Goods	2.92	-
	Purchase of Printer & Accessories	1,545.40	-
	Consumables Purchase	11.85	-
		3,390.17	**741.00**
28	**Employee Benefit Expenses**		
	Salaries And Wages	238.49	79.45
	Contribution To Provident And Other Funds	13.45	6.02
	Staff Insurance	0.88	-
	Staff Welfare Expenses	11.29	7.65
		264.11	**93.12**

P.L. TANDON & Co. KANPUR CHARTERED ACCOUNTANTS

Jaykay Enterprises Limited

Notes to the Consolidated Financial statements for year ended 31st March 2023

(₹ in Lacs)

29	**Finance Cost**		
	Interest to Banks and Others	100.01	18.72
	Interest on Lease Liability	5.65	-
		105.66	**18.72**
30	**Depreciation & Amortisation Expenses**		
	Depreciation on Tangible Assets	157.79	18.11
	Amortisation of Intangible assets	0.65	-
		158.44	**18.11**
31	**Other Expenses**		
	Consumption of stores and spare parts	0.99	-
	Transportation Expenses	3.39	-
	Power, Fuel & Water	15.53	-
	Factory Rent	42.58	-
	Machinery Repairs & Maintanance	9.02	-
	Job Work Expenses	60.08	-
	Testing, Inspection & Certification charges	0.30	-
	Service Charges Paid	75.00	6.25
	Insurance	5.23	8.81
	Rent	53.36	53.99
	Port Folio Management Charges	-	2.82
	Rates, Fee & Taxes	15.25	19.41
	Filing Fee	0.63	0.06
	Directors' Fee	2.49	2.42
	Auditors' Remuneration		
	- Audit Fee	2.89	1.21
	- Other Services	0.77	0.47
	Communication Expenses	4.27	0.86
	Advertisement Other than Sales Promotion	7.67	4.13
	Business Development Expenses	14.32	1.87
	Travelling & Conveyance Expenses	29.74	17.52
	Office Running/Upkeeping Expenses	10.00	9.55
	Electricity charges	21.48	17.57
	Establishment Expenses	39.66	64.07
	Security service charges	16.95	9.76
	Legal & professional charges	44.62	30.67
	Retainer Fee	17.79	33.78
	Legal expenses	69.07	27.93
	Repairs and Maintenance Expenses	22.60	30.56
	Printing & Stationery	3.01	2.19
	Loss, Damage & Rejection Charges	15.16	-
	Software Subscriptions & Periodicals	2.54	-
	Miscelleneous expenses	23.48	16.42
		629.87	**362.32**
32	**Exceptional Items**		
	Rates & Taxes	-	73.00
		-	**73.00**

P.L. TANDON & CO. KANPUR ★CHARTERED ACCOUNTANTS★

Notes to the Consolidated Financial statements for the year ended 31st March 2023 (₹ in Lacs)

33 Deferred tax assets have not been recognised for the carry forward un-used tax losses as it is not probable that future taxable profit will be available against which the un-used tax losses can be utilised.

34 Earnings per Share (EPS)	2022-23	2021-22
(I) Net Profit(+)/Loss(-) available for Equity Share holders	708.39	1,700.26
a. Basic earnings per Equity Share of ₹ 1/- each (in ₹)		
i. Number of Equity Shares (Denominator used for calculation of E.P.S. based on weighted average)	4,94,35,821	4,60,13,245
ii. Basic earnings per Equity Share of ₹ 1/- each (in ₹)	1.43	3.70
b. Diluted earnings per Equity Share of ₹ 1/- each (in ₹)		
i. Number of Equity Shares (Denominator used for calculation of E.P.S. based on weighted average)	5,40,96,012	5,09,44,745
ii. Diluted earnings per Equity Share of ₹ 1/- each (in ₹)	1.31	3.34

35 Related Party Disclosures:

Details of related parties with whom transactions have been made are as under:

A. Associate Concerns

Nebula3D Services Private Limited
J.K. Cotton Limited (Ceased w.e.f. 07-02-2022)

B. Subsidiary Company/Firm

Neumesh Labs Private Limited
M/s SilverGrey Engineers (w.e.f. 21-04-2022)

C. Key Management Personnel

Shri Abhishek Kumar Pandey	(w.e.f. 10-02-2022)	Company Secretary
Shri Sanjay Jain	(w.e.f. 01-05-2022)	Chief Financial Officer

D. Entities over which Promoters/Directors have significant influence

J.K.Consultancy & Services Private Limited
J.K. Traders Limited
J.K. Cotton Limited
Quest Academics Pvt. Ltd.

E. Directors

Shri Abhishek Singhania
Shri Maneesh Mansingka
Shri Partho Pratim Kar
Shri Rajiv Bajaj
Shri Rajesh Relan
Smt. Renu Nanda

- Related Parties relationship as identified by the company and relied upon by the Auditors.
- Following are the transactions with related parties as defined under section 188 of Companies Act, 2023 and Ind AS-24 and were carried out with related parties in the ordinary course of business and on terms equivelent to those that prevails in arm's length transaction.

P. L. TANDON & CO. KANPUR CHARTERED ACCOUNTANTS

Jaykay Enterprises Limited

Notes to the Consolidated Financial statements for the year ended 31st March 2023

		2022-23	2021-22
			(₹ in Lacs)
A. Associate Concerns			
i. Nebula3D Services Private Limited			
a. Loans Given			
Opening Balance		62.50	62.50
Add : Given during the year		-	-
Less : Repayment during the year		-	-
Closing Balance		**62.50**	**62.50**
b. Opening Balance of Interest Receivable		-	-
Add: Interest Income on Loan		6.19	5.63
Less: Recovered during the year		-	-
Closing Balance of Interest Receivable		**6.19**	**5.63**
c. **Rent, Expenses recovered and Services rendered**		-	0.03
d. **Business Development Expenses Paid**		-	1.87
B. Subsidiary Company/ Firm			
i. Neumesh Labs Private Limited		**1,711.50**	-
Corporate Guarantees given (Refer Note No. 36b)			
ii. M/s SilverGrey Engineers			
Corporate Guarantees given (Refer Note No. 36b)		**248.35**	
C. Key Managerial Personnel:			
a. Shri Ashok Gupta	(Upto 24-02-2022)		
Remuneration Paid		-	6.00
b. Shri Prabhat Kumar Mishra	(Upto 10-02-2022)		
Remuneration Paid		-	23.97
c. Shri Abhishek Kumar Pandey	(w.e.f. 10-02-2022)		
Remuneration Paid		24.36	3.41
d. Shri Sanjay Jain	(w.e.f. 01-05-2022)		
Remuneration Paid		50.79	-
Total		**75.15**	**33.38**
D. Entities over which Promoters/Directors have significant influence			
J.K.Traders Limited			
a. Rent, Expenses recovered and Services rendered		-	0.03
J.K.Consultancy & Sevices Private Limited			
a. Expenses paid and Services Rendered		12.01	13.24
J.K.Cotton Limited			
a. Recovery towards Rentals		18.20	4.42
b. Services Rendered		-	0.15
E. Sitting Fee paid to Directors		2.49	2.42
F. Promoters/Relatives			
Rent, Interest and other expenses paid		2.28	2.28
G. Other Professional Fees paid to Directors			
Shri Partho Pratim Kar		14.16	14.16

P.L. TANDON & Co. KANPUR CHARTERED ACCOUNTANTS

	2022-23	2021-22
36 a. Balances in Trade Payables and Financial Assets taken as per books are subject to confirmation/reconciliation and consequential adjustments.		
b. **Contingent Liabilities**		
(i) In respect of claims against the Company not acknowledged as debts :	Amount unascertainable	
(ii) In respect of following Corporate Guarantees given to State Bank of India for finance provided to subsidiary company and firm		
Neumesh Labs Private Limited (Subsidiary Company) :	**1,711.50**	
M/s SilverGrey Engineers (Partnership Firm with 99% share) :	248.35	

(ii) The Company has filed an appeal to Commisioner of Customs (Appeals) against the disputed customs demand raised by the customs department of INR 959.40 Lacs. The appeal has been remanded back to the Original Authority vide order dated 24th March 2023 for fresh consideration of facts in view of principles of natural justice.

37 The Financial statements were approved for issue by the Board of Directors on 29th May, 2023.

38 Previous year's figures have been recasted/regrouped wherever necessary to conform to the classification of the year.

39 The business of the associate M/s Nebula 3D Services Private Limited has substantial accumulated losses carried forward from previous years and has incurred losses during current financial year resulting in erosion of Net worth as at 31st March 2023. However, the management is having a positive future outlook of the Associate's business as a going concern. Therefore the management opines that there is no need to impair the value of Investment in Associate.

40 Other Matters

A. **Note on Exceptional Items:** The Company has during the previous Financial Year 2021-2022 paid Rs. 73,00,000/- (Indian Rupees Seventy Three Lakhs Only) towards the outstanding tax to Rishra Municipality in respect of land parcel situated at Rishra, District Hoogli, West Bengal (in physical possession of the Company) and the same has been recognized as an exceptional item in the statement of Profit and Loss. The Company's petition, disputing the title of the property was admitted by the Hon'ble High Court of Calcutta.

Upon the final hearing of the Appeal on 5th April 2022, the Hon'ble High Court was pleased to direct Jaykay Enterprises Ltd. to agitate all the issues before the NCLT. The High Court has also observed that all issues are open and shall be decided by the Hon'ble NCLT. The Company in view of the directions and observations made by the High Court, shall file an application of disclaimer before NCLT, Delhi for ascertaining its rights and title in respect of the property at Rishra.

B. The company did not enter any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. There are no outstanding balances (payable to / receivable from) with struck off companies.

C. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period as no loans/guarantees have been taken by the company.

D. The company has complied with number of layers of companies.

E. The company has not entered in any Scheme of Arrangements and no Scheme of Arrangements has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act 2013.

F. The company did not held any Benami Properties and no proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

G. The company is not declared willful defaulter by any bank or financial institution or any other lender.

H. The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

I. Sec.135 of the Companies Act 2013 with respect to CSR applicability, does not apply to the company.

J. 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, 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.

K. 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, 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.

41 **Disclosure under Section 45-IA of the RBI Act:**

The financial assets of the holding company comprises 58% appx. of total assets of the company as at 31st March 2023. This is primarily is on account of Fair Valuation of Investments at the reporting date, in compliance with Ind AS-113 on Fair Value Measurement.

Further, the income from financial assets is approx 64% of the total income of the company for the year ended 31st March 2023. This is primarily due to profit earned on sale of quoted investments.

Therefore, in view of temporary increase in value of financial assets to comply with Ind AS 113 and non- recurring income from profit on sale of investments, the management is of the opinion that there is no need to register the company under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

P. L. TANDON & Co. KANPUR CHARTERED ACCOUNTANT

(₹ in Lacs)

42 **Additional Notes to Consolidated Financial Statements:**

a. M/s SilverGrey Engineers (a partnership firm) became subsidiary of Jaykay Enterprises Limited w.e.f. 21st April 2022 during the year. Therefore, line-by-line consolidation of the firm has been done proportionately with effect from 21st April 2022 to reporting date i.e; 31st March 2023.

The values have been taken from audited financial statements of Nebula 3D Services Private Limited which have been prepared in accordance with Accounting Standards issued by ICAI and there will be no significant impact on profit/(loss) for the year if those financial statements are prepared in accordance with Indian Accounting Standards (IND AS) issued by ICAI, as certified by the auditor of the associate company.

b. The entities considered in the consolidated financial statements are :

Sr. No.	Name of Entity	Nature of Entity	Country of Incorporation	Holding as on 31st March 2023	Period of Consolidation
1	Neumesh Labs Private Limited	Subsidiary	India	69.92%	01.04.2022-31.03.2023
2	SilverGrey Engineers	Subsidiary	India	99%	21.04.2022-31.03.2023
3	Nebula 3D Services Private Limited	Associate	India	27.65%	01.04.2022-31.03.2023

c. Additional information as required under Schedule III to the Companies Act, 2013 of Companies Consolidated as subsidiary:

Name of Company	Net Assets i.e. Total Assets less Total Liabilities		Share in Profit or Loss After tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated	₹ in Lacs	As % of Consolidated	₹ in Lacs	As % of Consolidated	₹ in Lacs	As % of Consolidated	₹ in Lacs
Parent:								
Jaykay Enterprises Limited	99.47%	14,952.09	91.23%	754.18	100.00%	1,299.94	96.59%	2,054.12
Subsidiary:								
Neumesh Labs Private Limited	2.72%	408.85	48.92%	404.41		-	19.02%	404.41
SilverGrey Engineers	-2.19%	(328.55)	-40.14%	(331.87)		-	-15.61%	(331.87)
Total	100.00%	15,032.39	100.00%	826.72	100.00%	1,299.94	100.00%	2,126.66

d. Statement containing Salient features of Financial Statements Pursuant to First Proviso to Sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules,2014 for Subsidiary and Associate Enterprises.

Part "A" Subsidiary *(₹ in Lacs)*

Sr. No.	Name of the Subsidiary	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Turnover	Profit before tax	Provision for Tax	Profit after tax	% of Share Holding
1	Neumesh Labs Private Limited	850.90	585.10	7,789.19	6,353.19	4,338.18	545.85	141.44	404.41	69.92%
2	SilverGrey Engineers	800.00	(331.87)	1,104.97	636.84	328.05	(197.08)	(134.79)	(331.87)	99.00%

Part "B" Associate *(₹ in Lacs)*

Sr. No.	Name of Associate	Shares of Associate held by the Company on the year end				Profit/(Loss) for the year		Description of how there is Significant Influence	Reason why the Associate is not consolidated
		Latest Audited Balance Sheet Date	Amount of Investment in Associate	Extent of Holding %	Networth attributable to shareholding as per latest Balance Sheet	Considered in Consolidation	Not considered in Consolidation		
1	Nebula 3D Services Private Limited (Original investment valued, net of provision)	31-03-2023	262.28	27.65%	(42.17)	(24.56)	(64.26)	Parent Company has 27.65% profit sharing ratio	N.A.

P. L. TANDON & Co. KANPUR CHARTERED ACCOUNTANT

(₹ in Lacs)

43 Financial Ratios

Following are the key ratios as per the requirement of Schedule III of Companies Act 2013.

S.No.	Ratio	Ratio Formula	Computed Ratios		Reason for change where change is more than 25%
			FY 2022-23	FY 2021-22	
1	Current Ratio	Current Assets/ Current Liabilities	2.13	4.56	Refer Note A
2	Debt Equity Ratio	Total Debt/ Total Equity	0.17	0.05	Refer Note B
3	Debt Service Coverage Ratio	Earning available for debt service/ (Interest expenses+ Lease payment+ Principal repayments made during the year)	9.05	95.88	Refer Note C
4	Return on equity ratio	PAT- Preference dividend/ Average Shareholder equity	0.06	0.16	Refer Note D
5	Inventory Turnover Ratio	Gross Revenue/ Average Inventory	Not Applicable (NA) as change in inventory is only due to land development expenses in Holding company and against scrap & WIP in subsidiary partnership firm.		
6	Trade Receivable Turnover Ratio	Net Credit sale/ Avg. Trade Receivable	1.45	1.98	Refer Note E
7	Trade Payable Turnover Ratio	Net Credit Purchase/ Average Trade Payable	2.89	-	Refer Note F
8	Net Capital Turnover Ratio	Net Annual Sale/ Net Working Capital	0.85	0.25	Refer Note G
9	Net Profit Ratio	Profit After Tax/ Net Value of Sales and Services	0.18	1.64	Refer Note H
10	Return on Capital Employed	Earning before tax & interest/ Capital Employed	0.08	0.15	Refer Note I
11	Return on Investment	Net Income/ Cost of Investment	0.13	0.32	Refer Note J

Note A Decrease in Current Ratio is attributable to increase in Trade Payables and Bank Borrowings during the year, of subsidiary company.

Note B Debt Equity Ratio has increased due to availment of Credit facilities by subsidiary company.

Note C Debt Service Coverage Ratio has decreased due to availment of Credit facilities by subsidiary company.

Note D Return on Capital Employed has decreased in current year on account of decrease in Profits after Tax.

Note E Trade receivable turnover ratio has been decreased during the year due to increase in trade receivables of subsidiary Co.

Note F Trade Payable turnover ratio arose during the year due to credit purchases made by subsidiary Co.

Note G Net Capital Turnover Ratio has increased during the year due to increase in Sales

Note H Net Profit Ratio was higher during the preceding year due to heavy share of profit of erstwhile associate JK Cotton Limited.

Note I Return on Capital Employed was higher during the preceding year due to heavy share of profit of erstwhile associate JK Cotton Limited.

Note J Return on Investment was higher during the preceding year due to heavy share of profit of erstwhile associate JK Cotton Limited.

P. L. TANDON & CO. KANPUR CHARTERED ACCOUNTANTS

P. L. Tandon & CO.
CHARTERED ACCOUNTANTS

"WESTCOTT BUILDING"
MAHATMA GANDHI ROAD,
P.O. BOX No. 113
KANPUR - 208 001

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: 9415433040
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Independent Auditor's Review Report On consolidated unaudited Quarterly and Year to date Financial Results of the JAYKAY ENTERPRISES LIMITED Pursuant to the Regulation33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended)

To
The Board of Directors of
Jaykay Enterprises Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Jaykay Enterprises Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax of its associates ,for the quarter ended September 30, 2023, and year to date from April 01, 2023 to September 30, 2023 attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,(as amended) including relevant circulars issued by the SEBI from time to time.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013(the Act), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) including relevant circulars issued by the SEBI from time to time. 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 Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ,issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act, 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.

P. L. TANDON & CO. ★ KANPUR ★ CHARTERED ACCOUNTANT

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sl No.	Name of the entity	Relationship
1	Jaykay Enterprises Limited	Parent Company
2	Neumesh Labs Private Limited	Subsidiary Company
3	SilverGrey Engineers-Partnership Firm	Subsidiary Partnership Firm
4	Nebula3D Services Private Limited	Associate Company
5	J K Digital and Advance System Private Limited	Subsidiary Company
6	J K Defense & Aerospace Limited	Subsidiary Company
7	Allen Reinforced Plastics Private Limited	Stepdown Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The consolidated unaudited financial results includes the interim financial information of two subsidiaries and one associates which has not been reviewed, whose interim financial information reflect total assets of Rs.9052.54 lacs total Revenue of Rs.1148.79 lacs , total net profit after tax of Rs.210.77 lacs and Rs 166.10 lacs, total comprehensive income of Rs.216.24 lacs and Rs.171.57 lacs for the quarter ended September 30, 2023 and for the period from 01-04-2023 to 30-09-2023 respectively ,as considered in the consolidated unaudited financial results based on their interim financial information which have not been reviewed. The unaudited consolidated financial results also includes share of loss in associates of Rs 20.06 lacs.. and Rs. 11.01 lacs for the period 01-04-2023 to 30-09-2023 and for the quarter ended 30-09-2023 respectively.

7. Subsidiaries and associate, is based solely on the interim information of management and the procedures performed by us as stated in paragraph 3 above.

P. L. TANDON & Co. KANPUR CHARTERED ACCOUNTANTS

Our conclusion on the Statement is not modified in respect of the above matter with respect to our reliance on the report of other auditors.

For -P.L. Tandon & Co.
Chartered Accountants
FRN: 000186C

Date: 07-11-2023

Place: Kanpur

P.L. TANDON & Co.
KANPUR
CHARTERED ACCOUNTANT

P.P.SINGH
(PARTNER)
M. No.: 072754

UDIN: **23072754BGWEHU6484**

Jaykay Enterprises Limited

CIN : L55101UP1961PLC001187

(Regd. Office : Kamla Tower, Kanpur 208 001)

Ph.No.+91 512 2371478-81 * Fax : +91 512 2399854 website www.jaykayenterprises.com

E-mail : cs@jaykayenterprises.com

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Statement of Consolidated Un-audited Financial Results for the Quarter and Half Year ended 30th September, 2023

in ₹ Lacs

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended 31-03-2023
		9/30/2023	6/30/2023	9/30/2022	9/30/2023	9/30/2022	
		Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
1	**Income from Operations**						
	i Operating Income	814.18	695.30	1,336.93	1,509.48	2,325.13	4,695.53
	ii Other income	236.78	118.03	81.61	354.81	148.90	1,170.29
	Total Revenue	**1,050.96**	**813.33**	**1,418.54**	**1,864.29**	**2,474.03**	**5,865.82**
2	**Expenses**						
	i Cost of Construction & Development Expenses	7.82	-	7.82	7.82	7.82	7.82
	ii Cost of Material Consumed	230.01	17.20	55.47	247.29	95.30	165.15
	iii Change in Inventories	-240.50	16.69	15.57	-223.81	1.72	14.50
	iv Purchase of Stock in Trade	5.72	373.93	1,021.71	379.65	1,831.71	3,390.17
	v Employee benefits expenses	163.83	71.16	68.32	234.99	122.53	264.11
	vi Finance Cost	134.07	39.04	11.33	173.11	23.90	105.66
	vii Depreciation	103.48	66.89	22.19	170.37	42.19	158.43
	viii Other Expenses	386.66	145.25	154.36	531.91	277.26	629.88
	Total Expenses	**791.09**	**730.24**	**1,356.77**	**1,521.33**	**2,402.43**	**4,735.72**
3	**Profit/(Loss) before share of Profit/(Loss) of Associates, Exceptional and Extraordinary Items**	**259.87**	**83.09**	**61.77**	**342.96**	**71.60**	**1,130.10**
	Share of Profit/(Loss) of Associate	(11.01)	(9.05)	(5.04)	(20.06)	(14.15)	(24.56)
4	**Profit/(Loss) before Exceptional Item, Extraordinary Items and Tax**	**248.86**	**74.04**	**56.73**	**322.90**	**57.45**	**1,105.54**
5	Exceptional Items	-	-	-	-	-	-
6	**Profit/(Loss) before Extraordinary Items and Tax**	**248.86**	**74.04**	**56.73**	**322.90**	**57.45**	**1,105.54**
7	Extraordinary Items						
8	**Profit/(Loss) before Tax**	**248.86**	**74.04**	**56.73**	**322.90**	**57.45**	**1,105.54**
9	**Tax Expense**						
	- Current Tax	-	-	-	-	-	255.79
	- Tax Adjustment of earlier years	(75.69)	-	-	(75.69)	-	4.37
	- Deferred Tax	-	-	-	-	-	10.00
10	**Profit After Tax (7-8)**	**324.55**	**74.04**	**56.73**	**398.59**	**57.45**	**826.72**
	Attributable to:						
	Equity Share holders of JKEL	254.35	42.51	24.64	296.86	11.24	708.39
	Non Controlling Interest	70.20	31.53	32.09	101.73	46.21	118.33
11	**Other Comprehensive Income**						
	Items that will be reclassified to profit or loss	(257.77)	(294.46)	785.80	(552.23)	623.64	1,299.94
	Total of Other Comprehensive Income	(257.77)	(294.46)	785.80	(552.23)	623.64	1,299.94
12	**Total Comprehensive Income**	**66.78**	**(220.42)**	**842.53**	**(153.64)**	**681.09**	**2,126.66**
	Attributable to:						
	Equity Share holders of JKEL	(3.42)	(251.95)	810.44	(255.37)	634.88	2,008.33
	Non Controlling Interest	70.20	31.53	32.09	101.73	46.21	118.33
13	**Paid-up Equity Share Capital**	**504.50**	**504.50**	**524.68**	**504.50**	**524.68**	**524.68**
	Face Value of ₹1/- Per Share						
	Other Equity	-	-	-	-	-	13,097.59
14	**Earning per Equity share of ₹ 1/- each**						
	Basic Per Share (Not Annualized) (In ₹)	0.43	0.08	0.15	0.51	0.12	1.43
	Diluted Per Share (Not Annualized) (in ₹)	0.43	0.08	0.14	0.51	0.11	1.31

For and on behalf of Board of Directors

P. L. TANDON & Co. KANPUR CHARTERED ACCOUNTANT

Jaykay Enterprises Limited Kanpur

Abhishek Singhania
Chairman and Managing Director
(DIN No. 00087844)

Place: New Delhi
Dated: November 7th, 2023

Jaykay Enterprises Limited

JKE

CIN : L55101UP1961PLC001187

(Regd. Office : Kamla Tower, Kanpur 208 001)

Statement of Consolidated Assets and Liabilities as at 30th September, 2023

in ₹ Lacs

Sl. No.	Particulars	As at 9/30/2023 Unaudited	As at 3/31/2023 Audited
I	**ASSETS**		
	(1). Non-Current Assets		
	(a) Property, Plant and Equipment	2,620 65	2,093 85
	(b) Investment Property	512 00	514 50
	(c) Capital Work in Progress	119 97	71 25
	(d) Right of Use Assets	364 19	66 32
	(e) Other Intangible Assets	0 77	0 96
	(f) Goodwill	382 71	382 71
	(g) Goodwill on Consolidation	5,325 15	7 38
	(h) Financial Assets		
	i) Investments	2,963 43	2,983 49
	ii) Other Financial Assets	921 86	720 62
	iii) Trade Receivables	-	99 97
	(i) Deferred Tax Assets	56 77	-
	(2). Current Assets		
	(a) Inventories	2,303 26	120 09
	(b) Financial Assts		
	i) Investments	2,463 96	3,219 44
	ii) Cash and Cash Equivalents	1,684 41	1,264 26
	iii) Bank Balances	2,393 69	2,905 72
	iv) Loans	62 50	80 00
	v) Other Financial Assets	286 18	276 70
	vi) Trade Receivables	6,084 33	5,316 06
	(c) Current Tax Assets	233 37	76 03
	(d) Other Current Assets	626 36	327 06
	Total - Assets	**29,405.56**	**20,526.42**
II	**EQUITY AND LIABILITIES**		
	(1). Equity		
	(a) Equity Share Capital	584 58	524 68
	(b) Fully Convertible Warrants	-	973 27
	(c) Other Equity	16,487 88	13,097 59
	(d) Non Controlling Interest	1,668 03	436 85
	(2). Non Current Liabilities		
	(a) Financial Liabilities		
	i) Borrowings	4,022 12	559 88
	ia) Lease Liabilities	303 38	57 44
	(b) Provisions	36 04	2 61
	(c) Deferred Tax Liabilities	18 68	18 68
	(3). Current Liabilities		
	(a) Financial Liabilities		
	i) Short Term Borrowings	1,846 74	1,990 10
	ia) Lease Liabilities	79 59	13 39
	ii) Trade Payables	2,380 54	2,164 97
	iii) Other Financial Liabilities	268 06	383 81
	(b) Other Current Liabilities	1,604 33	183 86
	(c) Provisions	103 59	0 24
	(d) Current Tax Liabilities	2 00	119 05
	Total - Equity and Liabilities	**29,405.56**	**20,526.42**

NOTES :

1 The above un-audited Consolidated Financial Results, duly reviewed by the Audit Committee have been approved by the Board of Directors at its meeting held on **7th November, 2023**

2 The company has acquired 76 41% stake in Allen Reinforced Plastics Private Limited making it a subsidiary w e f 9th July 2023, through JK Defence and Aerospace Limited, a wholly owned subsidiary of the company

3 The figures for the quarter ended September 30, 2023 and September 30, 2022 are the balancing figures between unaudited figures in respect of the half year and unaudited year to date figures upto June 30, 2023 and 2022 respectively

4 The figures of previous period / year have been re-grouped, wherever necessary

5 Income Tax liability if any, shall be accounted for at the year end

P. L. TANDON & Co. KANPUR CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Jaykay Enterprises Limited Kanpur

Abhishek Singhania

Chairman and Managing Director

(DIN No.00087844)

Place : New Delhi

Dated : November 7th, 2023

Jaykay Enterprises Limited

CIN : L55101UP1961PLC001187

Ph.No.+91 512 2371478-81 * Fax : +91 512 2399854 website www.jaykayenterprises.com
E-mail : cs@jaykayenterprises.com

Consolidated Cash Flow Statement for the Half Year ended 30th September, 2023

(in ₹ Lacs)

Particulars	For the Period ended 30th Sept 2023		For the Period ended 30th Sept 2022	
A. Cash Flow from Operating Activities				
Profit / (Loss) before Tax and exceptional items as per Profit & Loss Account		**296.86**		**11.25**
Adjusted for				
Depreciation	170.38		42.19	
Finance Cost	173.11		23.90	
Interest Received	(133.12)		(90.74)	
Dividend Income	(17.41)		(23.61)	
Share of OCI of subsidiary	5.47		-	
Share of Loss of Associate	20.06		-	
Profit on sale of Investments	(165.42)	53.08	-	**(48.26)**
Operating Profit/(Loss) before Working Capital Changes		**349.94**		**(37.01)**
Adjusted for				
(Increase)/Decrease in Trade Receivables & Other Advances	(977.07)		(2,202.70)	
(Increase)/Decrease in Inventories	(2,183.17)		(111.60)	
(Increase)/Decrease in Secu Deposits	(0.64)		-	
Increase/(Decrease) in Trade Payables & Other Liabilities	1,586.93	(1,573.95)	679.45	**(1,634.84)**
Cash Generated from Operations		**(1,224.02)**		**(1,671.85)**
Refund /(Income Tax Payment)		(331.15)		(90.82)
Net Cash Used in Operating Activities		**(1,555.17)**		**(1,762.67)**
B. Cash Flow from Investing Activities				
Redemption/(Investment) in Fixed Deposits		311.43		719.38
Acquisition of PPE and Intangible Assets		(712.52)		(1,253.10)
(Increase)/Decrease in Loans given		17.50		-
(Purchase)/Sale of Investments		175.67		11.47
Increase of Non Controlling Interest		1,231.18		94.73
Goodwill on share acquisition in subsidiary		(5,317.78)		-
Interest Income		133.12		90.74
Dividend Income		17.41		23.61
Net Cash used in Investing Activities		**(4,143.99)**		**(313.18)**
C. Cash Flow from Financing Activities				
Proceeds from Issue of Equity Share Capital		59.89		48.76
Proceeds from Share Premium		3,833.17		438.85
Proceeds from Issue/(Conversion) of Share Warrants		(973.27)		851.36
Lease Liabilities paid off		(16.40)		-
Increase/(Decrease) in Short Term borrowings		(143.35)		181.23
Increase in Long Term borrowings		3,462.24		103.59
Finance Cost		(102.98)		(23.90)
Net Cash From Financing Activities		**6,119.31**		**1,599.90**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**420.15**		**(475.95)**
Opening Balance of Cash and Cash Equivalents		**1,264.26**		**810.48**
Closing Balance of Cash and Cash Equivalents		**1,684.41**		**334.53**

P.L. TANDON & Co. KANPUR CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : November 7th, 2023

For and on behalf of Board of Directors

Abhishek Singhania
Chairman and Managing Director
(DIN No.00087844)

Jaykay Enterprises Limited Kanpur

ACCOUNTING RATIOS AND CAPITALIZATION STATEMENT

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results as on September 30, 2023, included in "Financial Statements" on page 100.

Amount in Rupees Lakhs except shares data or as otherwise stated.

Particulars	As of and for the six-month period ended		As of and for the Financial Year ended	
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022
	Un-Audited	Un-Audited	Audited	Audited
Basic and Diluted Earnings Per Share (₹)				
Basic Earnings Per Share (Basic EPS)				
Net profit after tax, attributable to equity shareholders	296.86	11.24	708.39	1,700.26
Weighted average number of Equity Shares outstanding	584.58	488.18	494.36	460.13
Basic EPS in ₹	**0.51**	**0.12**	**1.43**	**3.70**
Face value in ₹	**1.00**	**1.00**	**1.00**	**1.00**
Diluted Earnings Per Share (Diluted EPS)				
Net profit after tax, attributable to equity shareholders	296.86	11.24	708.39	1,700.26
Weighted average number of shares considered for calculating Diluted EPS	584.58	521.93	540.96	509.45
Diluted EPS in ₹	**0.51**	**0.11**	**1.31**	**3.34**
Face value in ₹	**1.00**	**1.00**	**1.00**	**1.00**
Net Asset Value Per Equity Share (₹)				
Net Asset Value (Net-worth)	18,740.49	14,072.21	15,032.39	12,003.62
Number of equity shares outstanding at the year end	584.58	524.68	524.68	475.92
No. of adjusted equity shares outstanding at the year end	584.58	524.68	524.68	475.92
Net Assets Value per equity share (₹)	**32.06**	**26.82**	**28.65**	**25.22**
***Return on Net worth**				
Net Profit after tax	398.59	57.45	826.72	1,758.06
Net worth	18,740.49	14,072.21	15,032.39	12,003.62
Return on net worth	**2.13%**	**0.41%**	**5.50%**	**14.65%**

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<u>**EBITDA**</u>				
Profit/(loss) after tax (A)	398.59	57.46	826.72	1,758.06
Income tax expense (B)	(75.69)	0.00	278.82	64.50
Finance costs (C)	173.11	23.90	105.66	18.72
Depreciation and amortization expense (D)	170.37	42.19	158.44	18.11
Exceptional item(s)	0.00	0.00	0.00	73.00
EBITDA (A+B+C+D)	**666.38**	**123.55**	**1,369.64**	**1,859.39**

The ratios have been computed as per the following formulae:

Basic and Diluted Earnings per Share	Net Profit after tax, attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year
Net Assets Value (NAV)	Net Asset Value at the end of the year/ Number of equity shares outstanding at the end of the year
Return on Net worth (%)	Net Profit after tax, attributable to equity shareholders/Net worth (excluding revaluation reserve), at the end of the year *Net-worth (excluding revaluation reserve), means the aggregate value of the paid-up share capital and securities premium account, after adding surplus in the Statement of Profit and Loss.
EBITDA	Profit/(loss) after tax for the period adjusted for income tax, expense, finance costs, depreciation, and amortization expense, as presented in the standalone statement of profit and loss.

STATEMENT OF CAPITALIZATION

The following table sets forth the capitalization statement as of September 30, 2023, on the basis of our Unaudited Interim Consolidated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with "***Risk Factors***", "***Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", beginning on pages 24, 100, and 105 respectively.

(Rs. In Lakh)

Particulars	Pre-Issue as of September 30, 2023	As adjusted for the Issue
Total Borrowings		
Non-Current borrowings	4,022.12	[●]
Current borrowings	1,846.74	[●]
Total Borrowings (A)	**5,868.86**	[●]
Total Equity		
Equity Share Capital	584.58	[●]
Other Equity	16,128.46	[●]
Total Equity (B)	**16,677.04**	[●]
Ratio: Total Borrowings (A)/ Total Equity (B)	**0.35**	[●]

<u>Note:</u>
These terms shall carry the meaning as per Schedule III of the Companies Act.

MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer and as discussed below, to our knowledge, no circumstances have arisen since September 30, 2023, which materially or adversely affect or likely to affect our operations, performance, prospects or profitability, or the value of our assets or liabilities of the Company:

1. The Board of Directors of the Company in their meeting held on November 07, 2023, and the shareholders of the Company through Postal Ballot ended on December 21, 2023, has accorded their approvals for the material related party transaction of issuance of Corporate Guarantee on behalf of a related party i.e., Allen Reinforced Plastics Private Limited ("Allen") subsidiary of JK Defence & Aerospace Limited and step-down subsidiary of the Company for an amount not exceeding ₹ 31,19,00,000 (Rupee Thirty One Crores Nineteen Lakhs Only) in favour of State Bank of India. This corporate guarantee as and when executed, shall be treated as contingent liability for the Company.

2. The Company has entered into a Memorandum of Understanding (MoU) on December 09, 2023, with Phillips Machine Tools India Private Limited ("Phillips"), a subsidiary of Phillip Corporation, USA, inter-alia engaged in the business of advanced manufacturing technology products and services, to synergistically expand each other businesses on Pan India and in Global markets. And accordingly, an LLP under the name and style of **JK Phillips LLP** has been incorporated on December 28, 2023 (with LLP Identification Number ACE-5974) to carry out the business of tender bidding for the manufacturing industry, which shall include but not be limited to biding for tenders in relation to manufacturing, designing, and developing cutting- edge technology by producing or distributing CNC machines, lathes, hydraulic press, 3D printers, moulding machines and accessories originally produced by Phillips and other manufacturing/trading activities including after-sales services. It shall also include the Establishment and running of training centers. The right to share profit in the said LLP shall be 50:50 by both the parties. The Company has made a capital contribution of ₹ 1,00,000/- (Rupees One Lakh Only).

3. The Company has given an ICD to JK Phillips LLP worth ₹ 50,00,000/- (Rupees Fifty Lakhs Only) at an interest rate of 10% p.a. on January 04, 2024.

4. JK Phillips LLP on January 06, 2024, has executed a counter-guarantee in favor of State Bank of India, which in turn executed the letter of guarantee in the favor of IRCON International Limited for the Earnest Money Deposit required for tender participation. The total value of the Bank Guarantee is ₹ 97,62,000/- (Rupee Ninety-Seven Lakhs Sixty-Two Thousand Only).

5. During the quarter ending Dec'23, 31,147 shares of JK Lakshmi Cement Limited with a book value of ₹ 41/- per share, held as quoted investments by the Company were sold at an average price of ₹ 784/- per share.

6. The Company has given an advance of ₹ 4,51,00,000 (Rupees Four Crores Fifty-One Lakhs Only) to subsidiary partnership firm, M/s SilverGrey Engineers on December 14, 2023.

7. The subsidiary firm, M/s SilverGrey Engineers has issued a Letter of Credit in favor of Ray Mechatronics and Machinery Private Limited worth ₹ 4,48,51,861 (Rupees Four Crores Forty-Eight Lakhs Fifty-One Thousand Eight Hundred and Sixty-One Only) for purchase of machinery.

8. The company has entered into an agreement dated October 03, 2023, for sale of flat situated at Girdhar Apartments, Delhi, for a total consideration of ₹ 5,00,00,000 (Rupee Five Crores Only).

9. The Company has entered into an agreement dated November 01, 2023, for purchase of flat situated at B-101, 1st Floor, Aparna One, for a total consideration of ₹ 4,70,47,253 (Rupees Four Crores Seventy Lakhs Forty-Seven Thousand Two Hundred and Fifty-Three Only).

10. JK Defence & Aerospace Limited, a 100% subsidiary of JKEL, in its board meeting held on October 4, 2023, proposed to acquire a land situated at Hi-Tech, Defence & Aerospace Park, Bengaluru Rural & Urban District situated in the state of Karnataka admeasuring approximately 2 (Two) acres located in the state of Karnataka for an amount not exceeding ₹ 15,00,00,000/- (Rupees Fifteen Crores only) for the business purpose.

11. Securities and Exchange Board of India (SEBI) vide order no. Order/SS/RK/2023-24/29750 dated November 09, 2023, imposed a penalty of Rs. 5,00,000/- (Rupees Five lakhs only) under Section 15 A(a) of SEBI Act, 1992 ("SEBI Act") (minimum penalty for failure to furnish information, return, etc.) and Rs. 5,00,000/- (Rupees Five lakhs only) under Section 15HB of SEBI Act (minimum penalty for contravention when no separate penalty has been provided) (Total Rs. 10,00,000/- (Rupees 10 lakhs only) on the Company for violation of provisions of Regulation 7(4) of SEBI LODR Regulations and Regulation 9A(1)(b), Regulations 14(2)(h) and18(1), of SEBI (RTA) Regulations and SEBI circulars w.r.t. instructions to Registrars to an Issue/ Share Transfer Agents in respect of the inspection carried out by SEBI for the period April 01, 2020, to December 31, 2021. The Company has paid the same on November 16, 2023 drawn from Bank Axis Bank Limited

12. JK Digital & Advanced Systems Private Limited, a Wholly owned Subsidiary of the Company has entered into a tripartite Manufacturing Agreement dated January 09, 2024 with Meril Innovations Private Limited, Gujarat [Meril Lifesciences], a leading MedTech Solutions Company, for production of Medical Devices/Implants through 3D Printing along with its technology Partner EOS Electro Optical Systems India Private Limited, Chennai, a Wholly owned Subsidiary of EOS GmBH of Germany [EOS]. As per the said agreement, JK Digital would install, operate specified 3D Printers assisted by EOS, its technology Partner for manufacturing of Orthopedic Implants at Meril Life Sciences premises in Gujarat. The Agreement will be initially for 15 years, mutually extendable by parties. The initial annual revenues are likely to be Rs 12-18 crores per year.

13. Section 80-IAC has been introduced in the Income Tax Act, 1961 w.e.f. 1st Apr'2017 to grant tax incentives to eligible startups across the nation subject to fulfilment of certain conditions.

The said exemption u/s 80-IAC has been granted to subsidiary Neumesh Labs Private Limited via certificate dated October 23, 2023, granted by Inter-Ministerial Board of Certification, set up by the Department for Promotion of Industry and Internal Trade (DPIIT).

Under this section "Where the gross total income of an assessee, being an eligible start-up, includes any profits and gains derived from eligible business, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent of the profits and gains derived from such business for three consecutive assessment years."

The said deduction can be claimed by the business for any three consecutive assessment years out of ten years beginning from the year in which it is incorporated.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Audited Consolidated Financial Statements as of and for the year ended March 31, 2023, and March 31, 2022, and the Limited Review Unaudited Consolidated Financial Results for the six months ended on September 30, 2023, and September 30, 2022. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ending March 31 of that year. Financial information for the six months ended September 30, 2023, and September 30, 2022, is not annualized and not indicative of full-year results, and is not comparable with annual financial statements presented in this Draft Letter of Offer. Our Audited Consolidated Financial Statements and Limited Review Unaudited Consolidated Financial Results have been prepared in accordance with Ind AS, as prescribed under Section 133 of the Companies Act, 2013, read with the Rule 3 of the Companies (India Accounting Standards) Rules, 2015. Ind AS differs in certain respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which financial statements included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Certain information in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. See "Forward Looking Statements" and "Risk Factors" on pages 20 and 24, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. To obtain a complete understanding of our business, please read this section in conjunction with "Risk Factors", "Industry Overview" and "Our Business" on pages 24, 68 and 86, respectively, as well as the financial, statistical and other information included in this Draft Letter of Offer.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Jaykay Enterprises Limited, our Company. Unless otherwise indicated, financial information included herein is based on our Limited Review Unaudited Consolidated Financial Results for the six months ended on September 30, 2023, and September 30, 2022, and Audited Consolidated financial statements ended on March 31, 2023, and March 31, 2022, included in this Draft Letter of Offer beginning on page 100.

BUSINESS OVERVIEW

Our Company has diversified itself into Additive Manufacturing systems, Proto typing, powder metallurgy, large-scale Digital manufacturing, Reverse Engineering, Plant modelling, In the area of defence & Aerospace, we are as of engineering products across various industry verticals, software designing, and development, manufacturing of parts and accessories used in defence and aerospace sector, our work includes composite applications, Underwater mines, machining for the aerospace sector.

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. We believe that the following factors, amongst others, have, or could have, an impact on these results, the manner in which we generate income and incur the expenses associated with generating this income. For further details of such factors, please see the sections titled "Our Business" and "Risk Factors" on pages 86 and 24, respectively. Thee following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in India;

- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers;
- An increase in the overall efficiency of our competitors;
- Any adverse development that may affect the operations of our branch offices or software;
- Our ability to maintain and enhance our brand image;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interstate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

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.

Current and non-current Classification:

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

a. it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

b. it holds the asset primarily for the purpose of trading;

c. it expects to realize the asset within twelve months after the reporting period; or

d. the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

An entity shall classify a liability as current when:

a) it expects to settle the liability in its normal operating cycle.

b) it holds the liability primarily for the purpose of trading.

c) the liability is due to be settled within twelve months after the reporting period; or

d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Revenue recognition:

1. Rendering of Services

Revenue from the rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

2. Interest

Interest income is recognised using the Effective Interest Method.

3. Dividend

Dividend income from investments is recognised when the rights to receive payment is established.

4. Other Claims

Other claims (including interest on delayed realization from customers) are accounted for when there is certainty of realisation.

Leases:

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

An **operating lease** is a lease other than a finance lease.

Company as a lessor

Operating leases Lease income from operating leases (excluding amounts for services such as insurance and maintenance) is recognised in income on a straight-line basis over the lease term, unless either:

(a) another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or

(b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as lease income.

Finance leases 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.

Property, Plant and Equipment (PPE)

Land is carried at historical cost. Historical cost includes expenditure which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost etc.

After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

Subsequent Measurement

Subsequent costs of replacing parts of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the de recognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such de recognition of an item of property plant and equipment is recognised in profit and Loss.

Depreciation

Depreciation on property, plant and equipment, except freehold land, is provided on straight line method based on useful life specified in schedule II to the Companies Act, 2013.The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Capital Expenses incurred by the company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing Assets of the company are recognised as Enabling Assets under Property, Plant and Equipment.

Impairment of Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables.

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Investment Property

Property (land or a building or part of a building or both) held to earn rentals or for capital appreciation or both, rather than for, use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of businesses are classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

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.

1. Financial assets

1.1 Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

• Debt instruments at amortised cost
• Debt instruments at fair value through other comprehensive income (FVTOCI)
• Debt instruments, derivatives, and equity instruments at fair value through profit or loss (FVTPL)
• Equity instruments measured at fair value through other comprehensive income (FVTOCI)

2.1 Equity investments in associates

In accordance of Ind AS 101 (First-time adoption of Ind AS), the carrying amount of these investments as per previous GAAP as on the date of transition is considered to be the deemed cost. Subsequently, Investment in subsidiaries, associates and joint ventures are measured at cost.

2.2 Other Equity Investment

All other equity investments in scope of Ind AS 109 are measured at fair value through profit or loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.
Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

2.3 Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated balance sheet) when:

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.4 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

3. Financial liabilities

3.1 Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

3.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

3.3 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

4. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Borrowing Costs

Borrowing costs are expensed as incurred except where they are directly attributable to the acquisition, construction or production of qualifying assets i.e. the assets that necessarily takes substantial period of time to get ready for intended use, in which case they are capitalised as part of the cost of those assets up to the date when the qualifying asset is ready for its intended use.

Taxation

Tax expenses for the period comprises current and deferred tax. Tax is recognised in statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

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

Deferred Tax: Deferred Tax recognised on temporary difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Employee Benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

a) Provident fund
b) Superannuation scheme

iii. Defined benefit plans

The company net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The company has following defined benefit plans:

a) Gratuity

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the gratuity fund. The contributions made are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Re-measurements are recognized in the Other Comprehensive Income, net of tax in the year in which they arise.

b) Leave Encashment

Leave encashment is payable to eligible employees at the time of retirement .The liability for leave encashment , which is defined benefit scheme , is provided on actuarial valuation as at the Balance Sheet date, based on projected unit credit method , carried out by the independent actuary.

Foreign Currency Transactions

The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are converted into the reported currency of the company using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.
Non-monetary items denominated in foreign currency are valued at the exchange rates prevailing at the transaction date.

Inventories

i) Inventories are valued **"at cost or net realizable value, whichever is lower "**Cost comprises all cost of purchase, cost of conversion and their costs incurred in bringing in inventories to their present location and condition.

ii) Cost formula used are **"First in First out"** or **"Average Cost"** as applicable.

Cash and cash equivalents

Cash and Cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposits with and original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognized in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period. Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

1. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

1.1 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

(a) relevant to the economic decision-making needs of users and
(b) reliable in that financial statements:

- i. represent faithfully the financial position, financial performance and cash flows of the entity;
- ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
- iii. are neutral, i.e. free from bias;
- iv. are prudent; and
- v. are complete in all material respects on a consistent basis.

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

(a) the requirements in Ind ASs dealing with similar and related issues; and
(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

1.2 Materiality

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further an entity may also be required to present separately immaterial items when required by law.

1.3 Operating lease

Company has entered into lease agreements. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual PPE as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

b. Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. 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.

c. Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recent Accounting Pronouncements:

On 31st March 2023, Ministry of Company Affairs has amended the Companies (Indian Accounting Standards) Amendment Rule, 2023, applicable from 1st April 2023, as below:

Ind AS 103 – Business Combination:

The amendment required the new disclosure in respect of date on which the transferee obtains the control of the transferor. The company does not expect the amendments to have any impact in its financials.

Ind AS 107- Financial Instruments Disclosure:

The Companies (Indian Accounting Standards) Amendment Rule 2023 has amended paragraph 21 and paragraph B5 of Ind AS 107, thereby requiring companies to disclose their Material Accounting Policy Disclosure rather than their significant accounting policy. The company does not expect the amendments to have any impact in its financials.

Ind AS 1 – Presentation of Financial Statements:

The amendment states that:

- Companies should disclose the material accounting policies rather than the significant accounting policies.
- Clarifies that accounting policies relate to immaterial transactions, other events or conditions themselves are immaterial and therefore need not to be disclosed. The company does not expect the amendments to have any impact in its financials.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

The amendment rule 2023 inserted the definition of accounting estimate and omitted the change in accounting estimate. But the company does not expect the amendments to have any impact in its financials.

Ind AS 12 – Income Taxes:

Amendment RULE 2023 have issued certain amendments to Ind AS 12. The amendments have been made to narrow the scope of initial recognition exemption, i.e., it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary difference. With effect from 1st April 2023, the initial recognition exemption will be read as under:

- At the time of transaction, affect neither accounting profit nor taxable profit (tax loss).

- At the time of transaction, does not give rise to equal taxable and deductible temporary difference. The company does not expect the amendments to have any impact in its financials.

DISCUSSION ON RESULT OF THE OPERATION BASED ON CONSOLIDATED BASIS

Overview of Revenue & Expenditure

Our revenue and expenses are reported in the following manner:

Revenues

Our total revenue comprises (i) revenue from operations, and (ii) other income.

Revenue of operations

The Revenue from operations includes the Sale of products and services, software, finished goods, Printers & Accessories, income from printfarm, service charge income and other sales.

Other Income

Other Income includes Interest Income, Dividend Income, Rental Income, Profit on sale of investments, and other miscellaneous receipts.

Expenditure

Our total expenditure includes the below mentioned expenses:

Cost of Construction and Development Expenses

Our Cost of construction and development expenses include Kota Land Development expenses.

Cost of Material consumed

Change in Inventories

Our change in inventories include work in progress and other inventories in the beginning and end of the year.

Purchase of Stock in Trade

Our Purchase of Stock in Trade includes purchase of software, finished goods, printer & accessories and consumable purchases.

Change in Inventories

Our change in inventories comprises a change in the opening and closing of work in process and finished goods.

Employment Benefit Expenses

Our employment benefit expenses comprise of salaries and wages, contribution to provident and other funds, staff insurance and welfare expenses.

Finance Costs

Our Finance Costs comprise of interest to Banks and others and on lease liability.

Depreciation & Amortization

Our Depreciation & Amortization comprise of depreciation on tangible assets and amortization of intangible assets.

Other Expenses

Our Other Expenses mainly includes Insurance, Rent, Professional fees, Advertisement, Business Development expenses, travelling expenses, office running expenses, printing & Stationary and other expenses etc.

Tax Expense

Our tax expenses primarily include current tax and deferred tax.

Profit for the Year

Profit for the year represents profit after tax.

RESULTS OF OUR OPERATION ON THE BASIS OF CONSOLIDATED BASIS

The table below sets forth a summary of our Consolidated Financial Results containing significant items of our income and expenses for the period indicated based on our Financial Statements included in the section titled "Financial Information" on page 100:

(Rs. In Lakh)

Particulars	Consolidated Financial Statement							
	Six Months ended on September 30, 2023 (Un-Audited)	Six Months ended on September 30, 2022 (Un-Audited)	Increase/ (Decrease)	% Increase/ (Decrease)	March 31, 2023 (Audited)	March 31, 2022 (Audited)	Increase/ (Decrease)	% of Increase/ (Decrease)
INCOME:								
Revenue from	1,509.48	2,325.13	(815.65)	(35.08)	4,695.53	1,070.15	3,625.38	338.77

Operations								
Other income	354.81	148.90	205.91	138.29	1,170.29	412.74	757.55	183.54
Total Revenue	**1,864.29**	**2,474.03**	**(609.74)**	**(24.65)**	**5,865.82**	**1,482.89**	**4,382.93**	**295.57**
EXPENSES:								
Purchase of Stock in Trade	379.65	1,831.71	(1,452.06)	(79.27)	3,390.17	741.00	2,649.17	357.51
Cost of materials consumed	31.30	104.84	(73.54)	(70.14)	187.47	0	187.47	0.00
Employee benefits expense	234.99	122.53	112.46	91.78	264.11	93.12	170.99	183.62
Other Expenses	531.91	277.26	254.65	91.85	629.87	435.32	194.55	44.69
Total Expense	**1,177.85**	**2,336.34**	**(1,158.49)**	**(49.59)**	**4,471.62**	**1,269.44**	**3,202.18**	**252.25**
Profit before Interest, Depreciation and Tax	**686.44**	**137.69**	**548.75**	**398.54**	**1,394.20**	**213.45**	**1,180.75**	**553.17**
Depreciation and amortization expenses	170.37	42.19	128.18	303.82	158.44	18.11	140.33	774.88
Profit before Interest and Tax	**516.07**	**95.50**	**420.57**	**440.39**	**1,235.76**	**195.34**	**1,040.42**	**532.62**
Financial Charges	173.11	23.90	149.21	624.31	105.66	18.72	86.94	464.42
Share of Profit/Loss of Associates	(20.06)	(14.15)	(5.91)	41.77	(24.56)	1,645.94	(1,670.50)	(101.49)
Profit/(Loss) before tax*	**322.90**	**57.45**	**265.45**	**462.05**	**1,105.54**	**1,822.56**	**(717.02)**	**(39.34)**
Total tax expenses	(75.69)	0	(75.69)	-	278.82	64.50	214.32	332.28
Profit/(loss) after Tax	**398.59**	**57.45**	**341.14**	**593.80**	**826.72**	**1,758.06**	**(931.34)**	**(52.98)**

SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2023, COMPARED WITH SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2022

Income

Total revenue has decreased by Rs. **609.74** Lakhs and **24.65** % from Rs. **2,474.03** Lakhs in the six months ended September 30, 2022, to Rs. **1,864.29** Lakhs in the six months ended September 30, 2023. This was primarily due to no software sales in 2023.

Expenditure

Total Expenditure has decreased by Rs. **1,158.49** Lakhs and **49.59** % from Rs. **2,336.34** Lakhs in the six months ended September 30, 2022, to Rs. **1,177.85** Lakhs in the six months ended September 30, 2023. This was primarily due to no software purchases in 2023.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by Rs. **112.46** Lakhs and **91.78** % from Rs. **122.53** Lakhs in the six months ended September 30, 2022, to Rs. **234.99** Lakhs in the six months ended September 30, 2023. This was primarily due to increase in JKEL salaries and other employee welfare schemes.

Other Expenses

Other Expenses in terms of value and percentage increased by Rs. **254.65** Lakhs and **91.85** % from Rs. **277.26** Lakhs in the six months ended September 30, 2022, to Rs. **531.91** Lakhs in the six months ended September 30, 2023. This was primarily due to expansion of business.

Profit before Tax

Profit before Tax has increased by Rs. **265.45** Lakhs and **462.05** % from Rs. **57.45** Lakhs in the six months ended September 30, 2022, to Rs. **322.90** Lakhs in the six months ended September 30, 2023. This was primarily due to no software purchases in 2023.

Depreciation & Amortization Expenses

Depreciation & Amortization Expenses in terms of value and percentage increased by Rs. **128.18** Lakhs and **303.82** % from Rs. **42.19** Lakhs in the six months ended September 30, 2022, to Rs. **170.37** Lakhs in the six months ended September 30, 2023. This was primarily due to expansion of business.

Finance Costs

Finance Costs in terms of value and percentage increased by Rs. **149.21** Lakhs and **624.31** % from Rs. **23.90** Lakhs in the six months ended September 30, 2022, to Rs. **173.11** Lakhs in the six months ended September 30, 2023. This was primarily due to borrowings made in Neumesh Labs.

Net Profit after Tax

Net Profit has increased by Rs. **341.14** Lakhs and **593.80** % from Rs. **57.45** Lakhs in the six months ended September 30, 2022, to Rs. **398.59** Lakhs in the six months ended September 30, 2023. This was primarily due to reduction in software trading.

FISCAL YEAR ENDED MARCH 31, 2023, COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022

Income

Total revenue has increased by Rs. **4,382.93** Lakhs and **295.57**% from Rs. **1,482.89** Lakhs in the fiscal year ended March 31, 2022, to Rs. **5,865.82** Lakhs in the fiscal year ended March 31, 2023. This was primarily due to acquisition of stake in SilverGrey Engineers and Other Sales made by Neumesh Labs.

Expenditure

Total Expenditure has increased by Rs**. 3,202.18** Lakhs and **252.25** % from Rs. **1,269.44** Lakhs in the fiscal year ended March 31, 2022, to Rs. **4,471.62** Lakhs in the fiscal year ended March 31, 2023. This was primarily due to purchases of stock.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage have increased by Rs. **170.99** Lakhs and **183.62**% from Rs. **93.12** Lakhs in the fiscal year ended March 31, 2022, to Rs. **264.11** Lakhs in the fiscal year ended March 31, 2023. This was primarily due to salaries to SilverGrey employees and increase in JKEL salaries.

Other Expenses

Other Expenses in terms of value and percentage have increased by Rs. **194.55** Lakhs and **44.69**% from Rs. **435.32** Lakhs in the fiscal year ended March 31, 2022, to Rs. **629.87** Lakhs in the fiscal year ended March 31, 2023. This was primarily due to expansion of business.

Profit before Tax

Profit before Tax has decreased by Rs. **717.02** Lakhs and **39.34**% from Rs. **1,822.56** Lakhs in the fiscal year ended March 31, 2022, to Rs. **1,105.54** Lakhs in the fiscal year ended March 31, 2023. This was primarily due to heavy share of profit of associate in Mar'22.

Finance Costs

Finance Costs in terms of value and percentage have increased by Rs. **86.94** Lakhs and **464.42** % from Rs. **18.72** Lakhs in the fiscal year ended March 31, 2022, to Rs. **105.66** Lakhs in the fiscal year ended March 31, 2023. This was primarily due to borrowings made in Neumesh Labs.

Depreciation & Amortization Expenses

Depreciation in terms of value and percentage has increased by Rs. **140.33** Lakhs and **774.88**% from Rs. **18.11** Lakhs in the fiscal year ended March 31, 2022, to Rs. **158.44** Lakhs in the fiscal year ended March 31, 2023. This was primarily due to expansion of business.

Net Profit after Tax and Extraordinary items

Net Profit has decreased by Rs. **931.34** Lakhs and **52.98** % from Rs. **1,758.06** Lakhs in the fiscal year ended March 31, 2022, to Rs. **826.72** Lakhs in the fiscal year ended March 31, 2023. This was primarily due to increased tax burden and lower PBT.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company is involved in certain legal proceedings from time to time, which are primarily in the nature of tax disputes, civil suits, and petitions pending before various authorities.

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

*Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Draft Letter of Offer, if (i) the monetary claim involved in such proceedings is an amount equal to or exceeding 5% of average of the absolute value of the PAT based on last three consolidated financial statements ("**Materiality Threshold**"), and/or (ii) is otherwise determined to be material in terms of the Materiality Policy.*

Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not been evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial/ arbitral forum.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

A. **Proceedings involving issues of moral turpitude or criminal liability**

1. ***Criminal Litigations initiated against our Company:***

i. State of Rajasthan vs. K. K. Garg – Case No. 218/2013

For further details, please see "***Outstanding Litigations and Defaults - Civil Litigations initiated by our Company – Jaykay Enterprises Limited and Others vs. State of Rajasthan and Others – S.B. Civil Writ Petition No. 6477/2004***" on page 121.

2. ***Criminal Litigations initiated by our Company:***

Nil

B. **Matters involving material violations of statutory regulations by our Company**

As on the date of this Draft Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations by our Company.

C. **Economic offences where proceedings have been initiated against our Company**

As on the date of this Draft Letter of Offer, there are no economic offences initiated against our Company.

D. **Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters, which if they result in an adverse outcome would**

materially and adversely affect the operations or the financial position of our Company

1. ***Civil Litigations initiated against our Company:***

i. Ramesh Chand Bhatia and others vs. Union of India, The Principal Secretary, Ministry of Industries, Principal Secretary, Ministry of Finance, The Appellate Authority for Industrial and Financial Reconstruction, the Board of Industrial and Financial Reconstruction, Jaykay Enterprises Limited and others – CWP - 2270/2003, J.K. Staff Association vs. The Appellate Authority for Industrial and Financial Reconstruction, the Board for Industrial and Financial Reconstruction, Jaykay Enterprises Limited and others – CWP – 5182/2001, J.K. Synthetics Mazdoor Union vs. The Appellate Authority for Industrial and Financial Reconstruction, the Board for Industrial and Financial Reconstruction, Jaykay Enterprises Limited and others – CWP – 5183/2001 and Ramesh Chand Bhatia and others vs. Chairman, Appellate Authority for Industrial and Financial Reconstruction, Jaykay Enterprises, Arafat Petrochemicals Private Limited and others - CWP - 3937/2005

Ramesh Chand Bhatia and others ("**Petitioners**") , J.K. Staff Association ("**JKSA**") and J.K. Synthetics Mazdoor Union ("**JKSMU**") have filed three civil writ petitions bearing numbers against the Union of India, The Principal Secretary, Ministry of Industries, Principal Secretary, Ministry of Finance, The Appellate Authority for Industrial and Financial Reconstruction ("**AAIFR**"), the Board of Industrial and Financial Reconstruction ("**BIFR**"), Jaykay Enterprises Limited ("**JEL**") and others (collectively, "**Respondents**") bearing numbers CWP - 2270/2003, CWP – 5182/2001 and CWP – 5183/2001 before the Hon'ble Rajasthan High Court. Upon an application by JEL (due to its eroded net worth), BIFR on April 2, 1998 declared JEL as a sick industrial company. Subsequently, AAIFR vide its order dated January 1, 2003, passed an order against an appeal from JEL whereby a scheme of de-merger of cement undertaking of JEL into J. K. Cements Limited. The Petitioners were workmen employed at various plants of JEL and aggrieved by the order passed by AAIFR, which did not take into consideration the outstanding wages of such workmen, filed this writ petition seeking setting aside of the order dated August 31, 2001 passed by the AAIFR, declaration of the order dated January 23, 2003 passed by the AAIFR to be illegal and void and the matter be remanded back to BIFR. Additionally, Ramesh Chand Bhatia and others have filed a civil writ petition bearing number CWP - 3937/2005 against Chairman, AAIFR, JEL, Arafat Petrochemicals Private Limited and others seeking quashing of order dated January 7, 2005 passed by the AAIFR approving a draft rehabilitation scheme. The matters are presently pending.

ii. Tej Mal Jain, J.K. Staff Association and others vs. Sate of Rajasthan, Joint Labour Commissioner and Conciliation Officer, Jaykay Enterprises Limited, Arfat Petro Chemicals Private Limited and others – CWP - 9419/2002

Tej Mal Jain, J.K. Staff Association ("**JKSA**") and others ("**Petitioners**") have filed a civil writ petition bearing number CWP - 9419/2002 against the State of Rajasthan, Joint Labour Commissioner and Conciliation Officer, Jaykay Enterprises Limited ("**JEL**"), Arfat Petro Chemicals Private Limited ("**APCPL**") and others (collectively, "**Respondents**") before the Hon'ble Rajasthan High Court challenging the Memorandum of Settlement ("**MoU**") dated October 22, 2002 executed between JEL and APCPL as well as executed in the name of JKSA by unauthorized persons not having a majority and not empowered by the general body of JKSA. JKSA has filed this petition seeking declaration of the MoU void-ab-initio, contrary to the public policy and against the interest of employees. The matter is presently pending.

iii. Arafat Petro Chemicals Private Limited vs. Employees State Insurance Corporation, Jaykay Enterprises Limited and others - CMA 5126/2011, CMA 7358/2011 and CMA 3193/2018

Arafat Petro Chemicals Private Limited ("**APCPL**") has filed civil miscellaneous appeals bearing numbers CMA 5126/2011, CMA 7358/2011 and CMA 3193/2018 against Employees State Insurance Corporation ("**ESIC**"), Jaykay Enterprises Limited ("**JEL**") and others against recovery of ESIC dues of JEL. ESIC issued a notice for recovery of ₹1,63,229, ₹1,84,567 and ₹6,74,284, respectively, with interest from APCPL towards ESIC dues of JEL. JEL, was declared a sick company during the years 1997 and 1998 and in pursuance of rehabilitation proceedings, a tri-party settlement dated October 9, 2002/October 22, 2002 was entered between JEL, APCPL and various employees/workers unions. APCPL has claimed that in terms of the settlement, APCPL was liable to pay a sum of ₹37,46 crores to the employees/workers in terms of the aforementioned tri-party agreement whereas, liabilities such as ESIC dues were to be paid by JEL and not APCPL. Thus, APCPL has preferred the aforementioned civil miscellaneous appeals against the demands raised by ESCI. The matter is presently pending.

iv. Arafat Petro Chemicals Private Limited vs. Jaykay Enterprises Limited and various others - CWP 21026/2019, CWP 20827/2019, CWP 1345/2020. CWP 1355/2020, CWP 1372/2020, CWP 1534/2020, CWP 1567/2020, CWP 1614/2020, CWP 1698/2020

Arafat Petro Chemicals Private Limited ("**APCPL**") has filed various writ petitions bearing numbers CWP 21026/2019, CWP 20827/2019, CWP 1345/2020. CWP 1355/2020, CSP 1372/2020, CWP 1534/2020, CWP 1567/2020, CWP 1614/2020 and CWP 1698/2020 against Jaykay Enterprises Limited ("**JEL**") and others before the Hon'ble Rajasthan High Court. JEL, was declared a sick company during the years 1997 and 1998 and in pursuance of rehabilitation proceedings, pursuant to memorandum of understanding dated October 19, 2001 ("**MoU**"), the Kota unit of JEL was handed over to APCPL. Furthermore, a tri-party settlement dated October 9, 2002/October 22, 2002 was entered between JEL, APCPL and various employees/workers unions ("**TPA**"). At the time, various labour related cases were ongoing between JEL and its various employees/workers. Subsequent to execution of the MoU and the TPA, APCPL was also made a party to such labour cases and various adverse orders were passed against it. Thus, APCPL has filed various writ petitions challenging such orders passed by the labour courts/industrial tribunals. The matter is presently pending.

v. Rajasthan Trade Union Kendra; and Ramesh Chand Bhatia vs. State of Rajasthan and Ors. – CWP 1741/2007

Rajasthan Trade Union Kendra; and Ramesh Chand Bhatia (collectively "**Petitioners**") filed a civil writ petition bearing number WP(C) 1741/2007 against State of Rajasthan, Jaykay Enterprises Limited ("**JEL**") and Ors. ("**Respondents**") before the Hon'ble Rajasthan High Court for the proposed transfer of 227.15 acres of land from JEL to Arfat Petro Chemicals Private Limited ("**APCPL**").

JEL, was declared a sick company during the years 1997 and 1998 and in pursuance of rehabilitation proceedings, an operating agency ("**OA**") was appointed to examine the viability of JEL and to prepare a rehabilitation scheme for it if found viable and also get the assets of JEL valued. Upon culmination of proceedings before the BIFR, an order dated June 6, 2000 was passed with respect to measures to be adopted for revival of the JEL. The OA directed to issue advertisements for change of management and invite offers for takeover/lease/amalgamation. JEL preferred an appeal before the appellate authority against the said order. The appellate authority passed an order dated January 23, 2003 whereby a scheme of de-merger of cement undertaking of JEL was finalized. Later, DY. Secretary Revenue proposed a letter dated February 6, 2007, transferring 227.15 acres of land of JEL to APCPL. Aggrieved by the actions of the authorities the Petitioners filed this writ petition. The matter is presently pending.

vi. Property Related Litigations

For details, please see, "***Outstanding Litigations and Defaults – Civil Litigations initiated by our Company - Property Related Litigations***" on page 121.

vii. ***Labour Related Litigations***

Jaykay Enterprises Limited ("**JEL**") is involved in various legal proceedings before various fora instituted by certain ex-employees/ex-workers of JEL, certain contract labours and/or J.K. Employees Union challenging the termination and retrenchment of various workers of JEL across several years during the 1980s and 1990s and seeking compensation for such termination. Most of these legal proceedings are outstanding at various stages while some have been decided against JEL and JEL has appealed against such adverse orders before the relevant fora.

viii. Gratuity Related Cases

For details, please see, "***Outstanding Litigations and Defaults – Civil Litigations initiated by our Company - Gratuity Related Cases***" on page 121.

2. ***Civil Litigations initiated by our Company:***

i. Jaykay Enterprises Limited vs. State of Rajasthan and others - SB Civil Writ Petition no. 18622/12

Jaykay Enterprises Limited ("**JEL**") has filed a civil writ petition bearing number 18622/12 against the State of Rajasthan and others ("**Respondents**") before the Hon'ble High Court of Rajasthan. In the year 1997 four applications were filed under section 33 C (1) of the Industrial Disputes Act, 1947 for recovery of an amount of ₹7.77 crores towards arrears of wages of Kota units between October 1996 to July 1997. The additional labour commissioner issued 5 recovery certificates against JEL for recovery of ₹8.06 crores. Further, 14 properties of JEL were attached for recovery and put up for auction. JEL subsequently filed a writ petition for stay of attachment and auction and the auction was stayed on August 8, 1997. However, the properties were still attached. Since JEL could not make payment, court vacated the stay. Out of the 14 properties 5 properties were sold and amount of ₹84.71 lakhs was disbursed as salary. In the year 1998 JEL became a sick industrial company and as per Board for Industrial and Financial Reconstruction and Appellate Authority for Industrial and Financial Reconstruction orders and all the properties were transferred to Arafat Petrochemicals Private Limited which in turn cleared all the dues of Kota workers. Thus, this writ petition was filed for vacation of attachment of SPRC and Amjar Palace properties of JEL. The matter is presently pending.

ii. Jaykay Enterprises Limited vs. Presiding Officer, Industrial tribunal -III and ANR Civil Miscellaneous Writ Petition 9367 of 2016

Jaykay Enterprises Limited ("**Jaykay**") filed a civil writ petition bearing number 9367 of 2016 dated February 24, 2016 ("**Writ**") against Presiding Officer, Industrial Tribunal-III ("**Respondent No. 1**") and Pest Control (India) Private Limited ("**Respondent No. 2**") before the Hon'ble High Court of Allahabad ("**The Court**"). Prior to 1998, Jaykay had various undertakings in the Man Made yarn and fibre business which were located in Kota, Rajasthan, such as Padam Synthetics, Gopal Synthetics, J.K. Staples and Tows, J.K. Steam and Power and Sir Padam Pat Research Centre which were all run under one group known as PSG Group. The concerned undertaking under the PSG Group had closed operations by the year 1997-1998 and owing to the closure of business activities, the sales, accounts and computer department offices of the PSG Group located at Ashram, Kamla Nagar, Kanpur, was also closed with effect from July 31, 1998. Accordingly, notices alongwith one month salary in in lieu of one month notice was sent to every employee of the said office. The Respondent No. 2 challenged the aforesaid cessation of services of the concerned 24 employees, vide the order dated November 11, 1998 ("**The Reference Order**") referred the matter to Respondent No. 1 u/s 4K of the Industrial Disputes Act, 1947 ("**The Act**") which was registered as Adjudication Case no. 102 of 1998 ("**Adjudication Case**"). In the Adjudication Case, the Respondent No. 1 raised contentions related to the payment of alleged dues of the employees concerned also assailed the said closure on the alleged non-adherence to the provisions of Sections 6N, 6V and 6W of the Act by. The impugned award published on January 7, 2016 ("**The Award**") the Respondent No. 1 held the termination of the services of all the 24 employees mentioned in the reference order as being illegal and granted reinstatement to all the employees together with full back wages and other benefits. Hence, the Writ has been filed to challenge the impugned award. The matter is currently pending.

iii. ***Jaykay Enterprises Limited and Others vs. State of Rajasthan and Others – S.B. Civil Writ Petition No. 6477/2004***

Jaykay Enterprises Limited, Yadupati Singhania and K.K. Garg ("**JKSL**", "**Petitioner No. 2**" and "**Petitioner No. 3**" respectively) (collectively, the "**Petitioners**") filed a civil writ petition bearing no. 6477/2004 against the State of Rajasthan, Additional Labour Commissioner of Rajasthan, Raghuveer Singh and Arafat Petro Chemical Limited ("**Respondent No. 1**", "**Respondent No. 2**", "**Respondent No. 3**" and "**Respondent No. 4**" respectively) (collectively, the "**Respondents**"). The facts of the case are that Respondent No. 3 filed a complaint bearing no. LCR-328/90 against JKSL claiming that he was wrongfully terminated of his services. The Labour Court, Kota passed the award dated June 20, 2000, awarding 30% back wages with reinstatement. Respondent No. 3, due to the alleged non-compliance of the award, then filed a complaint bearing no. F.1(2)(15)/Award/Shram/2001 under Section 29 read with Section of the Industrial Disputes Act, before Respondent No. 2 to grant him permission to file the prosecution case against Petitioner No. 2 and Petitioner No. 3. With respect to the complaint, Respondent No. 2 issued a show case notice dated March 24, 2001, to the Petitioners. On July 24, 2001, the Petitioners replied to the show cause notice and provided Respondent No. 2 with the details of the pending matter before the BIFR and AAIFR of JKSL being recognized as a Sick Industry. However, Respondent No. 2 vide its order dated August 16, 2004, granted the permission for prosecuting Petitioner No. 2 and Petitioner No. 3. Petitioner No. 2 and Petitioner No. 3, aggrieved by the order, contended that they were prosecuted even though the matter pertaining to the sickness of JKSL is pending before the AAIFR and even though the matter regarding the payment of dues of the workmen as well as the past liabilities have already been made the subject matter of the settlement which is binding on all the parties under Section 18 of the Industrial Disputes Act.

Hence, the Petitioners have filed this application and prayed for, inter alia; i) Issuance of writ of certiorari or any other appropriate writ, order or direction in the nature thereof, the order dated August 16, 2004, passed by Respondent No. 2 be quashed and declared null and void; and ii) Writ of Prohibition or any other appropriate writ, order or direction in the nature thereof, the respondents be award dated June 20, 2000. The matter is currently pending.

iv. Jaykay Enterprises Limited vs. State of Rajasthan and others - CWP 6840/2006

Jaykay Enterprises Limited ("**JEL**") filed a civil writ petition bearing number 6840/2006 against the State of Rajasthan and others ("**SOR**"), Municipal Corporation, Kota ("**MCK**") and Chief Executive Officer, MCK (collectively, "**Respondents**"). The MCK levied dharmada tax on JEL for import of certain goods from other states. However, in 1998, JEL was declared as a sick industrial company. However, MCK levied dharmada tax on JEL against which JEL filed a civil suit bearing no. 2 of 1963 before the District Judge of Kota who dismissed JEL's prayers with respect to the illegal levy of dharmada tax. Thereafter, JEL filed a first Appeal before the Hon'ble High Court of Jaipur being Civil Regular First Appeal No. 78/1970 ("**First Appeal**") whereby the judgment and decree passed by the District Judge of Kota was upheld. Subsequently, JEL filed a Division Bench First Appeal bearing no. 154/73 was filed by the JEL whereby the order passed by the District Judge of Kota and order passed in the First Appeal was set aside and the MCK was perpetually restrained from levying and collecting any Dharmada Tax on any goods brought within the limits of MCK.

MCK filed a special leave petition before the Hon'ble Supreme Court. The Hon'ble Supreme Court suspended the operation of the perpetual injection and left open to the MCK to collect one half of Dharmada due as from October 1, 1978 with further conditions. On the basis of the Supreme Court Order the MCK issued recovery notice on April 12, 2004 for outstanding demand of ₹2.62 Crore. JEL submitted an application to MCK for waiver of interest but the same was not admitted and thus JEL filed this civil writ petition. The matter is presently pending.

v. ***Property Related Litigations***

Jaykay Enterprises Limited ("**JEL**") is involved in various legal proceedings before various fora against certain ex-employees of JEL and ex-employees/ employees of its sister concerns ("**JK Organization**") (at the time) who were, as part of their employment, provided with residential accommodations by JEL during their tenure of employment ("**ex-Employees**"). The ex-Employees, post cessation of their employment with JEL or when some of the sister concerns of JEL ceased to be its sister concern, failed to hand over the possession of the residential accommodations back to JEL in terms of their arrangement giving rise to the need for JEL to file various suits for ejectment and mesne profits. These matters are presently pending and there have also been instances where some of the ex-Employees have filed suits seeking prohibitory injunction against the aforementioned suits and restraint from JEL from dispossesing the ex-Employee instituting the suit from the residential accommodations. These suits are also presently pending.

vi. Jaykay Enterprises Limited vs. National Insurance Company Limited – Consumer Complaint Case No. 69, Consumer Case No. 70 of 2005 and Consumer Case No. 176 of 2008

Jaykay Enterprises Limited ("**JEL**") has filed three consumer cases bearing number 69 of 2005, 70 of 2005 and 176 of 2008 against National Insurance Company Limited ("**NICL**") before the Hon'ble National Consumer Disputes Redressal Commission, New Delhi. The manufacturing operations of JEL's plants at Jhalawar and Kota were suspended due to erosion of working capital, losses and labour unrest. Subsequently, a court receiver was appointed by the Hon'ble Bombay High Court in respect of the plants and assets of JEL in a suit filed by one of the secured creditors of JEL. Thereafter, JEL was declared 'sick' by the Board of Industrial and Financial Reconstruction ("**BIFR**") and JEL, under the directions of the Hon'ble Bombay High Court approached NICL for issuance of insurance cover for the plants of JEL situated at Jhalawar which was issued by NICL for a total sum insured amounting to ₹5.18 crores, ₹10.00 crores and ₹11.00 crores (and upto ₹25 crores for various plants). JEL, upon taking back possession of the plants from the court received, observed substantial losses of the property/assets and intimated NICL and submitted a burglary claim under the aforementioned policy as well as registered a police complaint with regard to the burglary. JEL estimated the various losses at all units (at Kota and Jhalawar both) amounting to ₹657.98 lakhs, ₹525.43 lakhs and ₹76.04 lakhs. However, the surveyors appointed by NICL informed NICL that the file may be closed as "no claim" on account of non-furnishing of documents by JEL. Thus, JEL instituted the present complaint praying for the assessment of losses to be allowed along with interest on the claim amount. The matter is presently pending.

vii. Gratuity Related Cases

Jaykay Enterprises Limited ("**JEL**") is involved in various legal proceedings before various fora instituted by certain ex-employees/ex-workers of JEL whose services ceased post a lock-out in the plants of JEL or resigned from their posts subsequent to which these ex-employees/ex-workers of JEL have filed various claims for payment of gratuity along with interest before the relevant authorities. Some of these cases were decided against JEL and JEL in turn had challenged the adverse order, succeeding in some which was then further challenged by such ex-employees/ex-workers of JEL. These matters are presently pending.

viii. Jaykay Enterprises Limited vs. Regional Provident Fund Commissioner, Kota - Appeal No. ITA/ 33/2022

Jaykay Enterprises Limited ("**JEL**") filed an appeal bearing no. 33/2022 ("**Appeal**") before the Central Government Industrial Tribunal, Jaipur ("**Tribunal**") against orders dated February 28, 2022 ("**Orders"**) passed by the Regional Provident Fund Commissioner, Nidhi Bhawan, Vigyan Nagar, Kota ("**Respondent**"). JEL had to close its establishment in Kota ("**Establishment**") following accumulated losses over the years and was declared as a Sick Unit on April 2, 1998, under the Board for Industrial and Financial Reconstruction. Arafat Petrochemicals Private Limited ("**APPL**"), pursuant to the AAIFR/BIFR Scheme, took over the assets of the establishment in order to revive and resume the manufacturing activities of JEL with restoration of employment to achieve rehabilitation of the Sick Company. However, this was not possible without resolving the labour problems and the various types of litigations pending before the various forums. Therefore, two tripartite agreements dated October 9, 2002 and October 22, 2002 (collectively, the **"Settlements**") were arrived at between the Representatives/Office Bearers of Staff Association, various Workers' and Employees' Trade Unions on part and Representatives of JEL and APPL. In both the settlements, APPL undertook to pay and discharge all the labour liabilities of JEL as per the terms and conditions of the settlements. The liabilities included gratuity, all dues, claims and compensation under all the heads of any nature including JEL's contribution to Provident Fund. The Appellant Authority for Industrial & Financial Reconstruction vide its order dated December 11, 2008 confirmed the responsibility of payment of labour dues entirely of APPL.

The Respondent initiated an inquiry under Section 14B and 7Q of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 for the period of April, 1994 to July, 2005 and issued notice to JEL on September 20, 2018. The Respondent alleged that JEL failed to pay simple interest at the rate of twelve percent per annum from the date on which the contributions became due till date of its actual payment. It was also claimed that JEL failed to pay within the prescribed time limit as required by the law for the alleged period. JEL argued that as per the settlements, APPL is liable pay the consequential amount. Furthermore, according to JEL, the actual dues were contributions which was to be paid for the relevant period was already paid by JEL for Rs. 2,49,83,978 on November 25, 2005. However, on February 28, 2022, the Respondents passed the orders, whereby the damages have been levied to the tune of Rs. 23,97,047 and interest of Rs. 3,85,250 aggregating to Rs. 27,82,297 on JEL for the alleged period. Hence, JEL has filed this appeal and prayed to the Tribunal to stay the operation of the Orders of the Respondent till the final disposal of the appeal and to issue direction to the Respondent to not take any coercive action against JEL for recovery of the amounts. The matter is currently pending.

ix. J.K. Staples and Tows vs. Regional Provident Fund Commissioner, Kota - Appeal No. ITA/ 29/2022

J.K. Staples and Tows ("**JKST**"), a unit of Jaykay Enterprises Limited filed an appeal bearing no. 29/2022 ("**Appeal**") before the Central Government Industrial Tribunal, Jaipur ("**Tribunal**") against orders dated February 28, 2022 ("**Orders"**) passed by the Regional Provident Fund Commissioner, Nidhi Bhawan, Vigyan Nagar, Kota ("**Respondent**"). The facts of the case are that JKST had to close its establishment in Kota ("**Establishment**") following accumulated losses over the years and was declared as a Sick Unit on April 2, 1998, under the Board for Industrial and Financial Reconstruction. Arafat Petrochemicals Private Limited ("**APPL**"), pursuant to the AAIFR/BIFR Scheme, took over the assets of the establishment in order to revive and resume the manufacturing activities of JKST with restoration of employment to achieve rehabilitation of the Sick Company. However, this was not possible without resolving the labour problems and the various types of litigations pending before the various forums. Therefore, two tripartite agreements dated October 9, 2002 and October 22, 2002 (collectively, the **"Settlements**") were arrived at between the Representatives/Office Bearers of Staff Association, various Workers' and Employees' Trade Unions on part and Representatives of JKST and APPL. In both the settlements, APPL undertook to pay and discharge all the labour liabilities of JKST as per the terms and conditions of the settlements. The liabilities included gratuity, all dues, claims and compensation under all the heads of any nature including JKST's contribution to Provident Fund. The Appellant Authority for Industrial & Financial Reconstruction vide its order dated December 11, 2008 confirmed the responsibility of payment of labour dues entirely of APPL.

The Respondent initiated an inquiry under Section 14B and 7Q of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 for the period of August, 2005 to September, 2018, and issued notice to JKST on September 20, 2018. The Respondent alleged that JKST failed to pay simple interest at the rate of twelve percent per annum from the date on which the contributions became due till date of its actual payment. It was also claimed that JKST failed to pay within the prescribed time limit as required by the law for the alleged period. JKST argued that as per the settlements, APPL is liable pay the consequential amount. However, on February 28, 2022, the Respondents passed the orders, whereby the damages have been levied to the tune of Rs. 42,183 and interest of Rs. 66,892 aggregating to Rs. 1,09,075 on JKST for the alleged period. Hence, JKST has filed this appeal and prayed to the Tribunal to stay the operation of the Orders of the Respondent till the final disposal of the appeal and to issue direction to the Respondent to not take any coercive action against JKST for recovery of the amounts. The matter is currently pending.

x. J.K. Acrylic vs. Regional Provident Fund Commissioner, Kota - Appeal No. ITA/* 28*/2022

J.K. Acrylic ("**JKA**"), a unit of Jaykay EnterprisesLimited filed an appeal bearing no. 28/2022 ("**Appeal**") before the Central Government Industrial Tribunal, Jaipur ("Tribunal") against orders dated February 28, 2022 ("**Orders"**) passed by the Regional Provident Fund Commissioner, Nidhi Bhawan, Vigyan Nagar, Kota ("**Respondent**"). The facts of the case are that JKA had to close its establishment in Kota ("**Establishment**") following accumulated losses over the years and was declared as a Sick Unit on April 2, 1998, under the Board for Industrial and Financial Reconstruction. Arafat Petrochemicals Private Limited ("**APPL**"), pursuant to the AAIFR/BIFR Scheme, took over the assets of the establishment in order to revive and resume the manufacturing activities of JKA with restoration of employment to achieve rehabilitation of the Sick Company. However, this was not possible without resolving the labour problems and the various types of litigations pending before the various forums. Therefore, two tripartite agreements dated October 9, 2002 and October 22, 2002 (collectively, the **"Settlements**") were arrived at between the Representatives/Office Bearers of Staff Association, various Workers' and Employees' Trade Unions on part and Representatives of JKA and APPL. In both the settlements, APPL undertook to pay and discharge all the labour liabilities of JKA as per the terms and conditions of the settlements. The liabilities included gratuity, all dues, claims and compensation under all the heads of any nature including JKA's contribution to Provident Fund. The Appellant Authority for Industrial & Financial Reconstruction vide its order dated December 11, 2008 confirmed the responsibility of payment of labour dues entirely of APPL.

The Respondent initiated an inquiry under Section 14B and 7Q of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 for the period of April, 1994 to July, 2005 and issued notice to JKA on September 20, 2018. The Respondent alleged that JKA failed to pay simple interest at the rate of twelve percent per annum from the date on which the contributions became due till date of its actual payment. It was also claimed that JKA failed to pay within the prescribed time limit as required by the law for the alleged period. JKA argued that as per the settlements, APPL is liable pay the consequential amount. However, on February 28, 2022, the Respondents passed the orders, whereby the damages have been levied to the tune of Rs. 26,93,960 and interest of Rs. 17,86,556 aggregating to Rs. 44,80,516 on JKA for the alleged period. Hence, JKA has filed this appeal and prayed to the Tribunal to stay the operation of the Orders of the Respondent till the final disposal of the appeal and to issue direction to the Respondent to not take any coercive action against JKA for recovery of the amounts. The matter is currently pending.

xi. J.K. Enterprises Limited vs. Regional Provident Fund Commissioner, Kota - Appeal No. ITA/ 30/2022

Jaykay Enterprises Limited, filed an appeal bearing no 30/2022 ("**Appeal**") before the Central Government Industrial Tribunal, Jaipur ("**Tribunal**") against orders dated February 28, 2022 ("**Orders"**) passed by the Regional Provident Fund Commissioner, Nidhi Bhawan, Vigyan Nagar, Kota ("**Respondent**"). The facts of the case are that JKTL had to close its establishment in Kota ("**Establishment**") following accumulated losses over the years and was declared as a Sick Unit on April 2, 1998, under the Board for Industrial and Financial Reconstruction. Arafat Petrochemicals Private Limited ("**APPL**"), pursuant to the AAIFR/BIFR Scheme, took over the assets of the establishment in order to revive and resume the manufacturing activities of JKTL with restoration of employment to achieve rehabilitation of the Sick Company. However, this was not possible without resolving the labour problems and the various types of litigations pending before the various forums. Therefore, two tripartite agreements dated October 9, 2002 and October 22, 2002 (collectively, the **"Settlements**") were arrived at between the Representatives/Office Bearers of Staff Association, various Workers' and Employees' Trade Unions on part and Representatives of JKTL and APPL. In both the settlements, APPL undertook to pay and discharge all the labour liabilities of JKTL as per the terms and conditions of the settlements. The liabilities included gratuity, all dues, claims and compensation under all the heads of any nature including JKTL's contribution to Provident Fund. The Appellant Authority for Industrial & Financial Reconstruction vide its order dated December 11, 2008 confirmed the responsibility of payment of labour dues entirely of APPL.

The Respondent initiated an inquiry under Section 14B and 7Q of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 for the period of April, 1994 to July, 2005 and issued notice to JKTL on September 20, 2018. The Respondent alleged that JKTL failed to pay simple interest at the rate of twelve percent per annum from the date on which the contributions became due till date of its actual payment. It was also claimed that JKTL failed to pay within the prescribed time limit as required by the law for the alleged period. JKTL argued that as per the settlements, APPL is liable pay the consequential amount. However, on February 28, 2022, the Respondents passed the orders, whereby the damages have been levied to the tune of Rs. 8,048 and interest of Rs. 7,434 aggregating to Rs. 15,482 on JKTL for the alleged period. Hence, JKTL has filed this appeal and prayed to the Tribunal to stay the operation of the Orders of the Respondent till the final disposal of the appeal and to issue direction to the Respondent to not take any coercive action against JKTL for recovery of the amounts. The matter is currently pending.

xii. J.K. Tyre Cord vs. Regional Provident Fund Commissioner, Kota - Appeal No. ITA/ 32/2022

J.K. Tyre Cord ("**JKTC**"), a unit of Jaykay Enterprises Limited, filed an appeal bearing no 32/2022 ("**Appeal**") before the Central Government Industrial Tribunal, Jaipur ("**Tribunal**") against orders dated February 28, 2022 ("**Orders"**) passed by the Regional Provident Fund Commissioner, Nidhi Bhawan, Vigyan Nagar, Kota ("**Respondent**"). The facts of the case are that JKTC had to close its establishment in Kota ("**Establishment**") following accumulated losses over the years and was declared as a Sick Unit on April 2, 1998, under the Board for Industrial and Financial Reconstruction. Arafat Petrochemicals Private Limited ("**APPL**"), pursuant to the AAIFR/BIFR Scheme, took over the assets of the establishment in order to revive and resume the manufacturing activities of JKTC with restoration of employment to achieve rehabilitation of the Sick Company. However, this was not possible without resolving the labour problems and the various types of litigations pending before the various forums. Therefore, two tripartite agreements dated October 9, 2002 and October 22, 2002 (collectively, the **"Settlements**") were arrived at between the Representatives/Office Bearers of Staff Association, various Workers' and Employees' Trade Unions on part and Representatives of JKTC and APPL. In both the settlements, APPL undertook to pay and discharge all the labour liabilities of JKTC as per the terms and conditions of the settlements. The liabilities included gratuity, all dues, claims and compensation under all the heads of any nature including JKTC's contribution to Provident Fund. The

Appellant Authority for Industrial & Financial Reconstruction vide its order dated December 11, 2008 confirmed the responsibility of payment of labour dues entirely of APPL.

The Respondent initiated an inquiry under Section 14B and 7Q of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 for the period of March, 1986 to November, 2016, and issued notice to JKTC on September 20, 2018. The Respondent alleged that JKTC failed to pay simple interest at the rate of twelve percent per annum from the date on which the contributions became due till date of its actual payment. It was also claimed that JKTC failed to pay within the prescribed time limit as required by the law for the alleged period. JKTC argued that as per the settlements, APPL is liable pay the consequential amount. However, on February 28, 2022, the Respondents passed the orders, whereby the damages have been levied to the tune of Rs. 48,64,202 and interest of Rs. 25,47,492 aggregating to Rs. 74,11,694 on JKTC for the alleged period. Hence, JKTC has filed this appeal and prayed to the Tribunal to stay the operation of the Orders of the Respondent till the final disposal of the appeal and to issue direction to the Respondent to not take any coercive action against JKTC for recovery of the amounts. The matter is currently pending.

xiii. J.K. Synthetics vs. Regional Provident Fund Commissioner, Kota – Appeal No. ITA/31/2022

J.K. Synthetics ("**JKS**"), a unit of Jaykay Enterprises Limited, filed an appeal bearing no. 31/2022 ("**Appeal**") before the Central Government Industrial Tribunal, Jaipur ("**Tribunal**") against orders dated February 28, 2022 ("**Orders"**) passed by the Regional Provident Fund Commissioner, Nidhi Bhawan, Vigyan Nagar, Kota ("**Respondent**"). The facts of the case are that JKS had to close its establishment in Kota ("**Establishment**") following accumulated losses over the years and was declared as a Sick Unit on April 2, 1998, under the Board for Industrial and Financial Reconstruction. Arafat Petrochemicals Private Limited ("**APPL**"), pursuant to the AAIFR/BIFR Scheme, took over the assets of the establishment in order to revive and resume the manufacturing activities of JKS with restoration of employment to achieve rehabilitation of the Sick Company. However, this was not possible without resolving the labour problems and the various types of litigations pending before the various forums. Therefore, two tripartite agreements dated October 9, 2002 and October 22, 2002 (collectively, the **"Settlements**") were arrived at between the Representatives/Office Bearers of Staff Association, various Workers' and Employees' Trade Unions on part and Representatives of JKS and APPL. In both the settlements, APPL undertook to pay and discharge all the labour liabilities of JKS as per the terms and conditions of the settlements. The liabilities included gratuity, all dues, claims and compensation under all the heads of any nature including JKS's contribution to Provident Fund. The Appellant Authority for Industrial & Financial Reconstruction vide its order dated December 11, 2008 confirmed the responsibility of payment of labour dues entirely of APPL.

The Respondent initiated an inquiry under Section 14B and 7Q of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 for the period of August, 2005 to September, 2018, and issued notice to JKS on September 20, 2018. The Respondent alleged that JKS failed to pay simple interest at the rate of twelve percent per annum from the date on which the contributions became due till date of its actual payment. It was also claimed that JKS failed to pay within the prescribed time limit as required by the law for the alleged period. JKS argued that as per the settlements, APPL is liable pay the consequential amount. However, on February 28, 2022, the Respondents passed the orders, whereby the damages have been levied to the tune of Rs. 92,728 and interest of Rs. 1,50,992 aggregating to Rs. 2,43,650 on JKS for the alleged period. Hence, JKS has filed this appeal and prayed to the Tribunal to stay the operation of the Orders of the Respondent till the final disposal of the appeal and to issue direction to the Respondent to not take any coercive action against JKS for recovery of the amounts. The matter is currently pending.

E. ***Tax Proceedings involving our Company***

1. ***Direct Tax:***

a. ***Outstanding Tax Demand***

i. ***Jaykay Enterprises Limited vs. Commissioner of Income Tax-II - Income Tax Appeal no. 277/2007***

The Commissioner of Tax ("**CIT**") filed an appeal bearing number 277 of 2007, against the Jaykay Enterprises Limited ("**JKEL**") for quashing of the order dated November 30, 2006 passed by the

Income Tax Appellate Tribunal ("**ITAT**") (the order passed by the ITAT, "**ITAT Order**") as well as restoration of the Assessing Officer's ("**AO**") order dated March 27, 1987 ("**AO Order**") before the Hon'ble High Court of Judicature at Allahabad. JKEL was in receipt of an AO Order in relation to the income tax filing of JKEL for the assessment year 1984-85. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and demanded payment of tax on the income of ₹45,22,09,278. JKEL filed an appeal against the AO to the Commissioner of Income Tax, Appeals ("**CITA**"), and CITA, vide its order dated November 27, 1987, allowed substantial relief to JKEL (the order passed by CITA, "**CITA Order**"**)**. Thereafter, CIT filed an appeal against the CITA Order before ITAT, and vide the ITAT Order, their appeal was dismissed. Thus, CIT has filed against the ITAT Order before this Hon'ble High Court of Judicature at Allahabad. The matter is presently pending.

ii. ***Jaykay Enterprises Limited vs. Commissioner of Income Tax-II - Income Tax Appeal no. 398/2008***

Jaykay Enterprises Limited ("**JKEL**") filed an instant appeal dated August 29, 2008 against Commissioner of Income Tax, Kanpur ("**CIT**") bearing number 398 of 2008 before the Hon'ble High Court of Judicature at Allahabad. JKEL was in receipt of an assessment order dated March 21, 1989 ("**Assessment Order**") from the Income Tax department in relation to the income tax filing of JKEL for the assessment year 1986-87. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and demanded payment of tax on the income of ₹35,75,55,270. JKEL filed an appeal against the Assessment Order from the Income Tax department and the Commissioner of Income Tax (Appeal) ("**CITA**") granted a part relaxation to JKEL from certain disallowances made by the Income Tax department in the Assessment Order ("**Order**"). Further aggrieved by the Order, JKEL filed an appeal before Income Tax Appellate Tribunal ("**ITAT**"). ITAT reiterated the order of the CITA. Aggrieved by the order of the ITAT, JKEL has filed this instant income tax appeal before the Hon'ble Court. The matter is presently pending.

iii. ***Jaykay Enterprises Limited vs. Commissioner of Income Tax-II - Income Tax Appeal no. 453/2009***

Jaykay Enterprises Limited ("**JKEL**") filed an instant appeal dated November 3, 2009 against Commissioner of Income Tax, Kanpur ("**CIT**") bearing number 453 of 2009 before the Hon'ble High Court of Judicature at Allahabad. JKEL was in receipt of an assessment order dated March 21, 1991 ("**Assessment Order**") from the Income Tax department in relation to the income tax filing of JKEL for the assessment year 1988-89. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and demanded payment of tax on the income of ₹9,72,61,720. JKEL filed an appeal against the Assessment Order from the Income Tax department and the Commissioner of Income Tax (Appeal) ("**CITA**") granted a part relaxation to JKEL from certain disallowances made by the Income Tax department in the Assessment Order ("**Order**"). Further aggrieved by the Order, JKEL filed an appeal before Income Tax Appellate Tribunal ("**ITAT**"). ITAT reiterated the order of the CITA and allowed the appeal of the appellant in part. Aggrieved by the order of the ITAT, JKEL has filed this instant income tax appeal before the Hon'ble Court. The matter is presently pending.

iv. ***Jaykay Enterprises Limited vs. Commissioner of Income Tax-II - Income Tax Appeal no. 278/2007***

Jaykay Enterprises Limited ("**JKEL**") filed an appeal dated May 2, 2007 against Commissioner of Income Tax, Kanpur ("**CIT**") bearing number 278 of 2007 before the Hon'ble High Court of Judicature at Allahabad. JKEL was in receipt of an assessment order dated March 27, 1987 ("**Assessment Order**") from the Income Tax department in relation to the income tax filing of JKEL for the assessment year 1984-85. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and demanded payment of tax on the income of ₹45,22,09,278. JKEL filed an appeal against the Assessment Order from the Income Tax department and the Commissioner of Income Tax (Appeal) ("**CITA**") granted a part relaxation to JKEL from certain disallowances made by the Income Tax department in the Assessment Order ("**Order**"). Further aggrieved by the Order, CITA filed an appeal before Income Tax Appellate Tribunal ("**ITAT**"). ITAT reiterated the order of CITA. Aggrieved by the order of the ITAT, JKEL has filed this instant income tax appeal before the Hon'ble Court. The matter is presently pending.

v. ***Commissioner of Income Tax-II vs. Jaykay Enterprises Limited - Income Tax Appeal no. 352/2009***

The Commissioner of Income Tax ("**CIT**") filed an appealbearing number 352 of 2009, against Jaykay Enterprises Limited ("**JKEL**") for quashing of the order dated December 31, 2008 passed by the Income Tax Appellate Tribunal ("**ITAT**") (the order passed by the ITAT, "**ITAT Order**") as well as restoration of the Assessing Officer's ("**AO**") order dated March 26, 1992 ("**AO Order**"), before the Hon'ble High Court of Judicature at Allahabad. JKEL was in receipt of an AO Order in relation to the income tax filing of JKEL for the assessment year 1989-90. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and demanded payment of tax on the income of ₹20,30,26,020. JKEL filed an appeal against the AO to the Commissioner of Income Tax, Appeals ("**CITA**"), and CITA, vide its order dated October 20, 1994, allowed substantial relief to JKEL (the order passed by CITA, "**CITA Order**"**)**. Thereafter, CIT filed an appeal against the CITA Order before ITAT, and vide the ITAT Order, their appeal was dismissed. Thus, CIT has appealed against the ITAT Order before this Hon'ble High Court of Judicature at Allahabad. The matter is presently pending.

vi. ***Commissioner of Income Tax-II vs. Jaykay Enterprises Limited - Income Tax Appeal no. 224/2011***

The Commissioner of Income Tax ("**CIT**") filed an appeal bearing number 224 of 2011, against Jaykay Enterprises Limited ("**JKEL**") for quashing of the order dated February 4, 2011 passed by the Income Tax Appellate Tribunal ("**ITAT**") (the order passed by the ITAT, "**ITAT Order**") as well as restoration of the Assessing Officer's ("**AO**") order dated March 20, 1996 ("**AO Order**"), before the Hon'ble High Court of Judicature at Allahabad. JKEL was in receipt of an AO Order in relation to the income tax filing of JKEL for the assessment year 1993-94. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and made additions and disallowances under various heads and reduced the loss claimed by JKEL from ₹1,58,95,06,761 to ₹14,11,27,799. JKEL filed an appeal against the AO to the Commissioner of Income Tax, Appeals ("**CITA**"), and CITA, vide its order dated February 28, 1994, allowed substantial relief to JKEL and confirmed several additions/disallowances made by the AO (the order passed by CITA, "**CITA Order**"**)**. Both JKEL and the CIT preferred an appeal against the CITA Order before the ITAT. Thereafter, ITAT, vide the ITAT Order, upheld the CITA Order. Thus, CIT has appealed against the ITAT Order before this Hon'ble High Court of Judicature at Allahabad. The matter is presently pending.

vii. ***Commissioner of Income Tax-II vs. Jaykay Enterprises Limited - Income Tax Appeal no. 399/2008***

The Commissioner of Income Tax ("**CIT**") filed an appeal bearing no. 399/2008 against Jaykay Enterprises Limited ("**JKEL**") for quashing of the order dated March 28, 2008 passed by the Income Tax Appellate Tribunal ("**ITAT**") (the order passed by the ITAT, "**ITAT Order**") as well as restoration of the Assessing Officer's ("**AO**") order dated March 27, 1989 ("**AO Order**") the restoration of tax case appeal bearing number 399 of 2008, before the Hon'ble High Court of Judicature at Allahabad. JKEL was in receipt of an AO Order in relation to the income tax filing of JKEL for the assessment year 1986-87. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and demanded payment of tax on the income of ₹35,75,55,270. JKEL filed an appeal against the AO to the Commissioner of Income Tax, Appeals ("**CITA**") which granted substantial relief to the JKEL. The order passed by CITA was challenged by both the department and JKEL and the ITAT allowed the appeal of the department and JKEL in part. Thus, CIT has appealed against the ITAT Order before this Hon'ble High Court of Judicature at Allahabad. The matter is presently pending.

viii. ***Commissioner of Income Tax-II vs. Jaykay Enterprises Limited - Income Tax Appeal no. 461/2008***

The Commissioner of Income Tax ("**CIT**") filed an income tax appeal bearing no. 461/2008 against Jaykay Enterprises Limited ("**JKEL**") for quashing of the order dated October 31, 2007 passed by the Income Tax Appellate Tribunal ("**ITAT**") (the order passed by the ITAT, "**ITAT Order**") as well as restoration of the Assessing Officer's ("**AO**") order dated July 30, 1985 ("**AO Order**"). JKEL was in receipt of an AO Order in relation to the income tax filing of JKEL for the assessment year 1985-86. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and demanded payment of tax on the income of ₹30,61,19,460. JKEL filed an appeal against the AO to the Commissioner of Income Tax, Appeals ("**CITA**"), and CITA, vide its order dated March 27, 1991, allowed substantial relief to JKEL (the order passed by CITA, "**CITA Order**"**)**. Thereafter, CIT filed an appeal against the CITA Order before ITAT, and vide the ITAT Order, the appeal of CIT was allowed in part. However, most of CIT's grounds were rejected/dismissed. Thus, CIT has appealed against the ITAT Order before this Hon'ble High Court of Judicature at Allahabad. The matter is presently pending.

ix. ***Commissioner of Income Tax-II vs. Jaykay Enterprises Limited - Income Tax Appeal no. 94/2011***

The Commissioner of Income Tax ("**CIT**") filed an appeal bearing no. 94/2011, against Jaykay Enterprises Limited ("**JKEL**") for quashing of the order dated September 29, 2010 passed by the Income Tax Appellate Tribunal ("**ITAT**") (the order passed by the ITAT, "**ITAT Order**") as well as restoration of the Assessing Officer's ("**AO**") order dated March 26, 1992 ("**AO Order**") the restoration of tax case appeal bearing number 94 of 2011, before the Hon'ble High Court of Judicature at Allahabad. JKEL was in receipt of an AO Order in relation to the income tax filing of JKEL for the assessment year 1989-90. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and demanded payment of tax on the income of ₹20,30,26,020. JKEL filed an appeal against the AO to the Commissioner of Income Tax, Appeals ("**CITA**") which allowed substantial relief to the JKEL. The order passed by CITA was overturned by ITAT when JKEL sought to challenge the same before the ITAT. Thus, CIT has appealed against the ITAT Order before this Hon'ble High Court of Judicature at Allahabad. The matter is presently pending.

x. ***Commissioner of Income Tax-II vs. Jaykay Enterprises Limited - Income Tax Appeal no. 517/2009***

The Commissioner of Income Tax ("**CIT**") filed an appeal, against Jaykay Enterprises Limited ("**JKEL**") for quashing of the order dated August 8, 2008 passed by the Income Tax Appellate Tribunal ("**ITAT**") (the order passed by the ITAT, "**ITAT Order**") as well as restoration of the Assessing Officer's ("**AO**") order dated March 21, 1991 ("**AO Order**") the restoration of tax case appeal bearing number 517 of 2009, before the Hon'ble High Court of Judicature at Allahabad. JKEL was in receipt of an AO Order in relation to the income tax filing of JKEL for the assessment year 1988-89. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and demanded payment of tax on the income of ₹9,72,61,720. JKEL filed an appeal against the AO to the Commissioner of Income Tax, Appeals ("**CITA**"), and CITA, vide its order dated February 28, 1994, allowed substantial relief to JKEL (the order passed by CITA, "**CITA Order**"). CIT preferred an appeal against the CITA Order before the ITAT. Thereafter, ITAT, vide the ITAT Order, allowed relief to JKEL on various issues and restored the matter back to the file of the AO for re-examination in some of the grounds. Thus, CIT has filed against the ITAT Order before this Hon'ble High Court of Judicature at Allahabad. The matter is currently pending.

xi. ***Commissioner of Income Tax-II vs. Jaykay Enterprises Limited - Income Tax Appeal no. 376/2012***

The Commissioner of Income Tax ("**CIT**") filed an appeal against Jaykay Enterprises Limited ("**JKEL**") bearing number appeal no. 376/2012 for quashing of the order dated March 28, 2008 passed by the Income Tax Appellate Tribunal ("**ITAT**") (the order passed by the ITAT, "**ITAT Order**") as well as restoration of the Assessing Officer's ("**AO**") order dated March 27, 1989 ("**AO Order**") the restoration of tax case appeal bearing number 197 of 2008, before the Hon'ble High Court of Judicature at Allahabad. JKEL was in receipt of an AO Order in relation to the income tax filing of JKEL for the assessment year 1986-87. In terms of the Assessment Order, the Income Tax department reassessed the income filed by JKEL and demanded payment of tax on the income of ₹35,75,55,270. JKEL filed an appeal against the AO to the Commissioner of Income Tax, Appeals ("**CITA**"), and CITA, vide its order dated September 29, 1992, allowed substantial relief to JKEL (the order passed by CITA, "**CITA Order**"). Both JKEL and the CIT preferred an appeal against the CITA Order before the ITAT. Thereafter, ITAT, vide the ITAT Order, the appeal of CIT was allowed in part. However, most of CIT's grounds were rejected/dismissed. Thus, CIT has filed against the ITAT Order before the Hon'ble High Court of Judicature at Allahabad. The matter is presently pending.

b. ***TDS Outstanding Demand***

Our Company has a TDS outstanding demand amounting to Rs.30 for the financial years 2009-10 and 2010-11.

c. ***Litigation pending before authorities***

Nil

2. ***Indirect Tax:***

i. ***Jaykay Enterprises Limited vs. The Commissioner of Customs (Import-I), NCH, Mumbai – Appeal No. 85760/2022-Mum***

Jaykay Enterprises Limited ("**JEL**") filed an appeal bearing no. 85760/2022 against portion of the Order-in-Original No. GEN/ADJ/COMM/74/2020 dated November 1, 2021 ("**Order**") passed by the Commissioner of Customs (Import-I), NCH, Mumbai ("**Respondent**") before the Customs, Excise & Service Tax Appellate Tribunal, Mumbai ("**Tribunal**"). The Respondent vide its order has; i) ordered that import of eight (8) Nos. of High-Speed Take-up machines along with spare parts and accessories are eligible for concessional rate of duty under the Project Import Regulations, 1965; ii) confirmed demand of differential duty amounting to Rs. 31,92,332 under Section 18(2) of the Customs Act, 1962, along with applicable interest in respect of alleged import of two (2) Nos. of High-Speed Take-up machines in Completely Knocked Down condition in the guise of spares, parts and accessories; iii) Ordered confiscation under Section 111(m) read with Section 111(d) and 111(o) of the Customs Act, 1962; iv) Imposed redemption fine of Rs. 10,00,000 under Section 125 of the Customs Act, 1962; v) Imposed penalty of Rs. 5,00,000 under Section 112(a) of the Customs Act, 1962; and vi) Ordered appropriation of Rs. 30,00,000 deposited earlier against the differential duty, redemption fine and penalty. JEL claims that there is no proof to conclude that complete machines have been imported in guise of spares, parts and accessories.

Hence, JEL has filed this appeal and prayed to the Tribunal to i) Set aside the Order and allow the appeal in full with consequential relief to JEL; ii) Grant refund of Rs. 30,00,000 deposited earlier along with interest; and iii) Grant a personal hearing. The matter is currently pending.

ii. ***Jaykay Enterprises Limited vs. The Deputy Commissioner of Customs, DEEC (M) Cell, NCH, Mumbai - OIA Mum-Cus-MA-Exp-265/2022-23***

Jaykay Enterprises Limited ("**JEL**") filed an appeal bearing no. OIA Mum-Cus-MA-Exp-265/2022-23 against Order-in-Original No. 35/DC/AG/DEEC(MC)/2022-23 dated June 1, 2022 ("**Impugned Order**") passed by the Deputy Commissioner of Customs, DEEC (M) Cell, NCH, Mumbai ("**Respondent**") before the Commissioner of Customs (Appeals), Mumbai Customs – Zone 1 ("**Commissioner")**. The Impugned Order denied exemption benefit under notification no. 80/1995-Cus., dated March 31, 1995 ("**Notification**") with respect to 25 advance license for alleged non-fulfilment of conditions of the Notification. The Impugned Order also confirmed a duty demand amounting to ₹9,59,39,827 along with applicable interest. Thus, aggrieved by the Impugned Order, JEL filed this appeal for the Impugned Order to be set aside. Vide its Order-in-Appeal dated March 24, 2023, the Commissioner set aside the Impugned Order and remanded the matter back to the Original Authority for fresh consideration of the facts. The matter is presently pending.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to "***Objects of the Issue***" beginning on page 56.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board of the Company passed at its meeting held on July 9, 2023, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

This Draft Letter of Offer has been approved by our Right Issue Committee pursuant to its resolution dated January 25, 2024. Our Board, in its meeting held on July 9, 2023, has resolved to issue the Equity Shares on a rights basis to the Eligible Equity Shareholders, at ₹ 25/- per Equity Share (including a premium of ₹ 24/- per Equity Share) aggregating upto ₹ 14,614.42 Lakhs in ratio of 1 Rights Equity Share for every 1 Equity Share as held on the record date. The Issue Price is ₹ 25/- per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to their letter dated [●]. Our Company will also make applications to BSE to obtain their listing and trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN [●] 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 144 .

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors and the members of our Promoter Group or our Company have not been prohibited from accessing or operating in the capital market or debarred or restrained 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 Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter are associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoter by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as Fugitive Economic Offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Association of our Directors with the Securities Market

Except as disclosed below, none of our Directors are associated with the securities market in any manner;

- Our Independent Director, Rajiv Bajaj, is the Director and shareholder of certain companies which are associated with securities market. The Details of such companies and their association with securities market are as follow;

1. Bajaj Capital Limited

Name of the company/entity:	**Bajaj Capital Limited**		
Category of registration and SEBI Registration Numbers	Depository Participants	Stock Broking	Merchant Banking
	IN-DP-544-2021	INZ000007732	INM000010544

2. Just Trade Securities Limited

Name of the company/entity:	Just Trade Securities Limited	
Category of registration and SEBI Registration Numbers	Stock Broking	Research Analyst
	INZ000236930	INH100002862

3. Bajaj Capital Investment Advisers Private Limited

Name of the company/entity:	Bajaj Capital Investment Advisers Private Limited
Category of registration and SEBI Registration Numbers	Investment Advisor
	INA100001398

There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Letter of Offer.

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers 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 and the members of our Promoter Group are in compliance and undertake to comply with the requirements of the Companies (Significant Beneficial Ownership) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, VII of 1913. Our Equity Shares are presently listed on BSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for the listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements, and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the SEBI.

2. The reports, statements and information referred to above are available on the websites of BSE.

3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards

share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, CORPORATE PROFESSIONALS CAPITAL PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, CORPORATE PROFESSIONALS CAPITAL PRIVATE LIMITED HAVE FURNISHED TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI), A DUE DILIGENCE CERTIFICATE DATED JANUARY 25, 2024 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE DRAFT LETTER OF OFFER OF THE SUBJECT ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

    a) **THIS DRAFT LETTER OF OFFER FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**

    b) **ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

    c) **THE MATERIAL DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT LETTER**

OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID – COMPLIED WITH TO THE EXTENT APPLICABLE

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.**

5. **WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT LETTER OF OFFER WITH THE SEBI TILLTHE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT LETTER OF OFFER – NOT APPLICABLE.**

6. **ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THIS DRAFT LETTER OF OFFER. – NOT APPLICABLE**

7. **ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. – NOT APPLICABLE**

8. **NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED/TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE TO THE EXTEND APPLICABLE**

9. **THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE "MAIN OBJECTS" IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED TO THE EXTENT APPLICABLE**

10. **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT LETTER OF OFFER:**

    a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY. – COMPLIED WITH (AS ON THE DATE OF THIS DRAFT LETTER OF OFFER, OUR COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND**

    b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI – COMPLIED WITH**

11. **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS– NOTED FOR COMPLIANCE**

12. **IF APPLICABLE, THE ISSUER IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS – NOT APPLICABLE**

WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISKS IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTER AND THAT THE RELATED PARTY TRANSACTIONS ENTERED INTO FOR THE PERIOD DISCLOSED IN THE OFFER DOCUMENT HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS - COMPLIED WITH.

WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.- COMPLIED WITH.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

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

Investors who invest in the Issue will be deemed to have been represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Rights Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Securities. The Lead Manager and its respective affiliates may engage in transactions with and perform services for our Company or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or affiliates, for which they have received and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Draft 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 New Delhi, India.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer and post receipt of the in-principle approval from the BSE, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Selling Restrictions

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the 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 into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders in offshore transactions outside the United States in compliance with Regulation S to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares and/ or Rights Entitlements is permitted under laws of such jurisdictions.

Our Company will dispatch, in accordance with the SEBI ICDR Regulations, the Letter of Offer, the Abridged Letter of Offer and the Application Form 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 this Draft Letter of Offer or 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 Draft Letter of Offer has been filed with SEBI and the Stock Exchange. In those circumstances, this Draft Letter of Offer, 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 subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Accordingly, the Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft 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.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and 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 a registered address in India or 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 e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

If this Draft 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 Draft 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 receipt of this Draft Letter of Offer nor any sale/ offer of Equity Shares and/ or the Rights Entitlements 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. The contents of this Draft 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 offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Equity Shares or the Rights Entitlements regarding the legality of an investment in the Equity Shares and/ or the Rights Entitlements by such
offeree or purchaser under any applicable laws or regulations.

Each person who exercises Rights Entitlement and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlement or Equity Shares shall do so in accordance with the restrictions set out below.

Listing

The Rights Equity Shares offered through the Letter of Offer are proposed to be listed on BSE. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Consents

Consents in writing of (a) our Directors, the Registrar to the Issue, our Company Secretary and Compliance Officer, the Lead Manager, Legal Advisor to Issue, the Statutory Auditor, Banker to Issue to act in their respective capacities, have been obtained, and such consents have not been withdrawn up to the date of this Draft Letter of Offer and (b) Consent from the Monitoring agency will be obtained in the due course and their consent will be filed along with a copy of the Letter of Offer with the RoC as required under Sections 26 and 32 of the Companies Act, 2013.

Our Company has received written consent dated October 18, 2023 from our Statutory Auditor, for inclusion of their report, on the Financial Information in this Draft Letter of Offer and to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated January 24, 2024 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues (as defined under the SEBI ICDR Regulations) during the five years immediately preceding the date of this Draft Letter of Offer.

Filing

A copy of this Draft Letter of Offer has been filed with SEBI at SEBI Bhavan, NBCC Complex, Office Tower-1, 8th Floor, Plate B, East Kidwai Nagar, New Delhi - 110023 for its observations and through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011dated January 19, 2018) issued by the SEBI. This Draft Letter of Offer will also be filed with BSE, where the equity shares are proposed to be listed.

After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchange as per the provisions of the SEBI ICDR Regulations.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing 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 03, 2011 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI ICDR Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 07, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are also tracked online by our Company through the SCORES Mechanism.

Our Company has a Stakeholders Relationship Committee which currently comprises of Mrs. Renu Nanda, Mr. Abhishek Singhania and Mr. Partho Pratim Kar. The Committee 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. Alankit Assignments 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 are received by our Company on a case-to-case basis, i.e. grievances are being received on the Company's email address and are typically disposed of in a timely manner from the date of 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 photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 144 . The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Alankit Assignments Limited
Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055, India
Tel: +91 11 4254 1966
E-mail: jaykayerights@alankitassignments.com
Investor Grievance ID: jaykayerights@alankitassignments.com
Website: www.alankit.com
Contact Person: Ms. Neeti
SEBI Registration No.: INR000002532

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.

Yogesh Sharma is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

Yogesh Sharma
Kamla Tower, Kanpur-208001, Uttar
Pradesh, India
Telephone: +91 512 237 1478
E-mail: cs@jaykayenterprises.com

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

SECTION VII - ISSUE INFORMATION

TERMS OF THE ISSUE

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

Please note that in accordance with the provisions of the SEBI ICDR Master Circular, all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/ records confirming the legal and beneficial ownership of the securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

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

Dispatch and availability of Issue Materials

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

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard.

Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity

Shares under applicable securities laws) on the websites of:

- Our Company at https://www.jaykayenterprises.com/
- the Registrar to the Issue at www.alankit.com
- the Lead Manager at https://www.corporateprofessionals.com/
- Securities and Exchange Board of India at www.sebi.gov.in; and
- the Stock Exchange at https://www.bseindia.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 www.alankit.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.alankit.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company at https://www.jaykayenterprises.com/

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter 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.

Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

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 the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer, the Letter of Offer is being filed with SEBI and the Stock Exchange. 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 the 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 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, 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 authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. 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 or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). 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 makes an application to acquire Rights Entitlements and the Rights 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 Rights 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 or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

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. No Application Form should 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 under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions ; (ii) does not include the relevant certifications set out in the Application Form, including that such person is submitting and/ or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements, including in the United States and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in the 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.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "***Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" on page 144.

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

a) *Facilities for Application in this Issue:*

ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please refer to Paragraph titled "***Procedure for Application through the ASBA process***" beginning on page 154 .

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 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.

b) *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 ICDR Master 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, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●] **ISSUE – SUSPENSE ESCROW DEMAT ACCOUNT**") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident 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) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (f) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (g) non-institutional equity shareholders in the United States.

c) *Application by Resident 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 ICDR Master Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.alankit.com). Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish their relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) along with the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue

Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Resident 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.

In accordance with the SEBI ICDR Master Circular, the 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 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.

d) *Application for Additional Equity Shares*:

Investors 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 finalised 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***" beginning on page 168.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the Renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "***Procedure for Application through the ASBA process***" beginning on pages 154 .

e) *Other important links and helpline:*

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

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.alankit.com
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company i.e. Alankit Assignments Limited: www.alankit.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: www.alankit.com; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders with Alankit Assignments Limited: www.alankit.com.

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated July 9, 2023 have authorised this Issue under Section 62(1)(a) of the Companies Act, 2013.

This Draft Letter of Offer is approved by the Rights Issue Committee pursuant to its resolution dated January 25, 2024. The Board of Directors has in their meeting held on [●] approved the Letter of Offer. The Board has, in their meeting held on July 9, 2023, determined the Issue Price at ₹25/- per Equity Share (including a premium of ₹24 per Equity Share), the Rights Entitlement as 1 (one) Rights Equity Share(s) for every 1 (one) fully paid-up Equity Share(s) held on the Record Date. Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letter dated [●]. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. The Issue Price is ₹25 per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. For details, please refer to the section entitled "***Terms of the Issue***" beginning on page 144.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form/ in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.alankit.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: www.jaykayenterprises.com

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date in dematerialised form only. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, 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. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹1/-.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 25/- per Rights Equity Share in the Issue.

The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Issue Price is ₹25/- per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 (one) Rights Equity Share(s) for every 1 (one) Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ 25/- per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1 (one) Rights Equity Share(s) for every 1 (one) Equity Share(s) held on the Record Date. Thus, fractional entitlements shall not arise in the Issue.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and Memorandum of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI ICDR Master Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the Issue Opening Date. On the Issue Closing Date, the Depositories will suspend the ISIN of Rights Entitlements for transfer and once the Allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. [●] for Rights Entitlements so obtained will be permanently deactivated from the Depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: **INE903A01025** on BSE (Scrip Code: **500306**). The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the BSE. Our Company has received in-principle approval from BSE through letter dated [●]. 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 applicable laws. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE. Upon receipt of such listing and trading approvals, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time prescribed under the SEBI ICDR Regulations. The listing and trading of the Rights Equity Shares issued pursuant to the 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. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company shall within fifteen days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, forthwith refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not refunded/ unblocked within fifteen days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of fourth day, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law. For details of trading and listing of Rights Equity Shares, please refer to the heading "***Terms of Payment***" beginning on page 150.

Subscription to the Issue by our Promoter and Promoter Group

For details of the intent and extent of the subscription by our Promoter and Promoter Group, please refer to "***Capital Structure – Intention and extent of participation by our Promoter and Promoter Group in the Issue***" beginning on page 53.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless

prohibited/restricted by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. 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 the Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

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 01, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI ICDR Master Circular and MCA General Circular No. 21/2020, our Company will send, through email and registered/speed post, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other Issue Material only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter 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.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and a Hindi language daily newspaper (Hindi being the regional language in the place where our Registered Office is located).

This Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the BSE for making the same available on its websites.

PROCEDURE FOR APPLICATION

How to Apply

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

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "***Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" on page 144.

Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer to "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 153.

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

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

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares 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 authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) 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 (ii) the requisite internet banking.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details please refer to "*Grounds for Technical Rejection*" on page 144. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please refer to "***Applications on Plain Paper under ASBA process***" beginning on page **158**

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each Eligible Equity Shareholders Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and other Issue Materials would also be available on the website of the Registrar to the Issue at www.alankit.com and link of the same would also be available on the website of our Company at (www.jaykayenterprises.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholders will have the option to:

i apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
ii apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
iii apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
iv apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
v renounce its Rights Entitlements in full.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have 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. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 153.

Procedure for Application through the ASBA process

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

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

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 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 the Issue and clear demarcated funds should be available in such account for such an Application.

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

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights 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 authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

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

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "***Applications on Plain Paper under ASBA process***" beginning on page 158.

Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for Additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the BSE in the manner prescribed under the section titled "***Terms of the Issue***" beginning on page 144 . Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "***Basis of Allotment***" beginning on page 168 .

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("**OCBs**"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the

Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 08, 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 03, 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. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. 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. 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.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

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

Renunciation of Rights Entitlements

The 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 favour 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 Exchange or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, 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, will not be able to renounce their Rights Entitlements

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 Exchange (the "**On Market Renunciation**"); or (b) through an off–market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Our Company and the Lead Manager accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

a) 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 Exchange 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 ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlement. 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 Exchange from time to time.

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

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive).

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

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 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.

b) 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 Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their Depository Participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their Depository Participant. The Investors can transfer Rights

Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

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 favour 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.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Lead Manager, BSE to provide requisite details.

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 address outside India.

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

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

- Name of our Issuer, being Jaykay Enterprises Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹25 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the Applicants;

- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

"*I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (*"*US Securities Act*"*) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (*"*United States*"*) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (*"*Regulation S*"*). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States* "*U.S. Person*" *(as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

"*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the* type *subscribed for herein imposed by the jurisdiction of our residence.*

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

I/ We hereby make representations, warranties and agreements set forth herein.

I/We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements set forth therein."

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

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

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

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 ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, as applicable, 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.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The remaining procedure for Application shall be same as set out in "***- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" on page 158.

(d) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON RECORD DATE 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, AS APPLICABLE.

Last date for Application

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "***Terms of the Issue - Basis of Allotment***" beginning on page 168 .

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 Exchange.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor 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 Investor's ASBA Account.

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, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the 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.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

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 Investor 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 as set forth hereinafter.

Mode of payment for Resident Investors

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. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 04, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (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 Right 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 Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI, 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 and send it to the Registrar. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

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 and the Lead Manager.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

  Note:

  In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their e-mail addresses and upon its failure only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis if they have provided their Indian 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. This Draft Letter of Offer will be provided, only 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 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.*

Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. Further, Application Forms will be made available at 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 Rights 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 Rights Equity Shares are issued on rights basis.

- 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.

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE REFER TO "*ALLOTMENT ADVICES/ REFUND ORDERS/UNBLOCKING OF ASBA ACCOUNTS*" BEGINNING ON PAGE 169.

General instructions for Investors

a) Please read this Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
b) In accordance with the SEBI ICDR Master Circular, the 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, 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.
c) Please read the instructions on the Application Form sent to you.
d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
e) Application should be made only through the ASBA facility.

f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.

g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "***Applications on Plain Paper under ASBA process***" beginning on page 158 .

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

i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

j) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.

k) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Manager.

l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.

o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

q) All communication in connection with Application for the Rights Equity Shares, including any change in address, contact details 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 (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in address, contact details 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, as applicable.

r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 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.

u) 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.

Additional general instructions for Investors in relation to making of an Application

a) Please read the instructions on the Application Form sent to you. 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. The Application Form must be filled in English.

b) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "***Applications on Plain Paper under ASBA process***" beginning on page 158.

c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID 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. Therefore, 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. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail 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 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 or 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) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

d) By signing the Application Forms, 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.

e) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

f) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

g) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

h) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

i) Do not pay the Application Money in cash, by money order, pay order or postal order.

j) Do not submit multiple Applications.

k) No investment under the FDI route requiring government approval 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.

l) An Applicant 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.

Do's:

a) Ensure that the Application Form and necessary details are filled in.

b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.

d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, the SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

d) Do not pay the Application Money in cash, by money order, pay order or postal order.

e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account

b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

c) 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.

d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

f) 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.

g) 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.

h) 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.

i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

b) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

c) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

e) Do not submit Application Form using third party ASBA account.

Grounds for Technical Rejection

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

a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.

b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

c) Sending an Application to our Company, the Lead Manager, the Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.

d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

f) Account holder not signing the Application or declaration mentioned therein.

g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.

m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; .

q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

r) Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).

s) Applicants not having the requisite approvals to make application in the Issue.

t) **IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE 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.**

u) 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.

v) 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.

w) The Allotment Advice and the email intimating unblocking of ASBA Account 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 the 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.

x) 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 s are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. 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, please refer to "***Investment by Mutual Funds***" beginning on page 173 .

In cases where multiple Applications are submitted, including cases where an (a) Investor submits Application Forms along with a plain paper Application, or (b) multiple plain paper Applications, or (c) multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications that may be submitted by the Promoter or any of the members of Promoter Group as described in "***Capital Structure – Intention and extent of participation by our Promoter and Promoter Group in the Issue***" beginning on page 53 .

Underwriting

The Issue is not underwritten.

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, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Issue schedule

Last date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]

Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note: Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).
**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 Renouncees on or prior to the Issue Closing Date*
***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*
Our Company, the Lead Manager 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 applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, *i.e.*, [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●].

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares shall 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 unsubscribed Rights Equity Shares after making full Allotment under (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 the Issue and will not be a preferential allotment.

d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis in consultation with the Designated Stock Exchange, as part of the Issue and will not be a preferential allotment.

e) Allotment to any other person 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.

f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders/ Unblocking of ASBA Accounts

Our Company will issue and send/dispatch Allotment Advice, refund intimations/instructions, if applicable or demat credit of securities and/or letters of regret, by e-mail or registered post or speed post, only to the Eligible Equity Shareholders who have provided Indian address; 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, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. 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.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment Advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds/unblocking of fund beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account. 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.

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:

(a) **Unblocking amounts blocked using ASBA facility-** The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility**.**

(b) **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 a Magnetic Ink Character Recognition ("**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 otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) **Direct Credit** – Investors having bank accounts with the Banker 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.

(e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending 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.

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 CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS

RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, 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:

a) Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated September 13, 2021.
b) Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated September 13, 2021.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor’s Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor’s Depository Participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor’s address provided by the Eligible Equity Shareholders to our Company but the Applicant’s Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant’s depository account.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 153.

Procedure for Applications by certain categories of Investors

Investment by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. 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.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs, VCFs and FDI route

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with Press Note 3 of 2020, the FDI Policy ("***Press Note***") has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the Press Note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 05, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

i. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

ii. *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

iii. *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.* "

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or beforeT+1 day (T being the date of finalisation of Basis of Allotment)In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

a) All monies received out of the Issue shall be transferred to a separate bank account;

b) Details of all monies utilized out of the Issue referred to in clause (a) above shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

c) Details of all unutilized monies out of the Issue referred to in clause (a) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

c) The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

d) 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.

e) No further issue of securities 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. other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations .

f) 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.

g) Adequate arrangements shall be made to collect all ASBA Applications.

h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

i) As on date our Company does not have any convertible debt instruments.

j) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

k) Our Company accepts full responsibility for the accuracy of information given in this Draft 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 Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

The objects of the Issue involve; (i). investment in its Wholly Owned Subsidiary JK Defence & Aerospace Limited; (ii) investment in its Wholly Owned Subsidiary JK Digital & Advance Systems Private Limited; and (iii). General Corporate Purposes.

Since, the object of the proposed issue involves investment in wholly owned subsidiaries for creation of their capacity and capability to undertake their respective business, the minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply. Therefore, in accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

Filing

A copy of this Draft Letter of Offer has been filed with SEBI at SEBI Bhavan, NBCC Complex, Office Tower-1, 8th Floor, Plate B, East Kidwai Nagar, New Delhi - 110023 for its observations and through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No.SEBI/HO/CFD/DIL1/CIR/P/2018/011dated January 19, 2018) issued by the SEBI, This Draft Letter of Offer will also be filed with BSE, where the equity shares are proposed to be listed.

After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchange as per the provisions of the SEBI ICDR Regulations.

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 two (2) Working Days of the Issue Closing Date 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 Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

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 exchange where the Equity Shares may be proposed to be listed.

Investor Grievances, Communication and Important Links

Please read this Draft 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 the 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***" beginning on page 24.

All enquiries in connection with this Draft Letter of Offer, Letter of Offer, Abridged 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 "[●]" on the envelope to the Registrar at the following address:

Alankit Assignments Limited
Alankit House, 4E/2
Jhandewalan Extension
New Delhi – 110 055, India
Tel: +91 11 4254 1966
E-mail: jaykayerights@alankitassignments.com
Investor Grievance ID: jaykayerights@alankitassignments.com
Website: www.alankit.com
Contact Person: Neeti
SEBI Registration No.: INR000002532

In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 11 4254 1627.

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

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.alankit.com
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company i.e. Alankit Assignments Limited: www.alankit.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: www.alankit.com; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.alankit.com

The Issue will remain open for minimum period of 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 Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (**FIFP**) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment **(**"**FDI**"**)** through press notes and press releases. The DIPP**,** has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 **(**"**FDI Policy 2020**"**)**, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must 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 FIFP.

The transfer of shares between an Indian resident and a non-resident does not need prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA, and the transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non-institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including the exemption under Regulation S ("**Regulation S**") of the U.S. Securities Act.

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 Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII - STATUTORY AND OTHER INFORMATION

Please note that the Right 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 where the credit of the Rights Entitlements returned/ reversed/ failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft 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, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date or the material contracts shall be made available for inspection through online means. Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to cs@jaykayenterprises.com.

I. Material Contracts for the Issue

i. Issue Agreement dated January 23, 2024, between our Company and the Lead Manager, pursuant to which certain arrangements are agreed in relation to the Issue.

ii. Registrar Agreement dated January 23, 2024, entered between our Company and the Registrar to the Issue.

iii. Banker to the Issue Agreement dated [●] to be entered between our Company, the Registrar to the Issue, Lead Manager and Banker(s) to the Issue.

iv. Monitoring Agency Agreement dated [●] entered between our Company and the Monitoring Agency.

II. **Material Documents**

i. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

ii. Certificate of incorporation dated May 17, 1943.

iii. Fresh certificate of incorporation consequent to change in the name of our Company from 'JK Investment Trust Limited' to 'JK Synthetics Limited' dated May 9, 1961.

iv. Fresh certificate of incorporation consequent to change in the name of our Company from 'JK Synthetics Limited' to 'Jaykay Enterprises Limited' dated October 15, 2010.

v. Annual Reports of the Company for the financial years ended March 31, 2019, March 31, 2020, March 31, 2021, March 31, 2022, and March 31, 2023.

vi. Resolution of the Board of Directors dated July 9, 2023, in relation to the Issue.

vii. Resolution of the Rights Issue Committee dated January 25, 2024, approving and adopting this Draft Letter of Offer.

viii. Resolution of the Board Meeting/Rights Issue Committee dated [●] in relation to the terms of the Issue including the Record Date.

ix. The Audited Consolidated Financial Statements for the financial year ended on March 31, 2023, and the audit reports issued by our Statutory Auditors thereon, dated May 29, 2023.

x. The Limited Reviewed Financial Results dated November 7, 2023, for the half year and quarter ended September 30, 2023, are included in this Draft Letter of Offer.

xi. Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager(s), the Registrar to the Issue, the Legal Advisor, Banker to the Issue for inclusion of their names in this Draft Letter of Offer in their respective capacities.

xii. Statement of Tax Benefits dated January 24, 2024 from the Statutory Auditor included in this Draft Letter of Offer.

xiii. Consent letter dated October 18, 2023, from our Statutory Auditors of the Company M/s. P.L. Tandon & Co, Chartered Accountants, for inclusion of their name in this Draft Letter of Offer as an "expert", as defined under Section 2(38) of the Companies Act, in respect of the Audited Financial Statements and the audit reports for the financial year ended 2022-23.

xiv. Board resolution dated July 9, 2023, in order to constitute a Rights Issue Committee.

xv. Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated October 06, 2021.

xvi. Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated October 25, 2021.

xvii. Due Diligence Certificate dated January 25, 2024, issued by Lead Manager.

xviii. SEBI Observation letter no. [●] dated [●].

xix. In-principle listing approvals dated [●], from the BSE.

Any of the contracts or documents mentioned in this Draft 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 Eligible Equity Shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Abhishek Singhania
(Chairman and Managing Director)

Sd/-

Maneesh Mansingka
(Non-Executive Non-Independent Director)

Sd/-

Partho Pratim Kar
(Non-Executive Non-Independent Director)

Sd/-

Renu Nanda
(Non-Executive Independent Director)

Sd/-

Rajiv Bajaj
(Non-Executive Independent Director)

Sd/-

Rajesh Relan
(Non-Executive Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Sd/-

Sanjay Kumar Jain

(Chief Financial Officer)

Date: January 25, 2024
Place: Kanpur