

**IFCI VENTURE CAPITAL FUNDS LTD. (IFCI VENTURE)  
NEW DELHI**

**MEMORANDUM NO. 738 /2022-23**

**ITEM NO. 3 OF THE AGENDA**

**MEMORANDUM TO THE INVESTMENT COMMITTEE (IC) OF VENTURE CAPITAL FUND FOR SCHEDULED CASTES (VCF-SC) FOR ITS MEETING TO BE HELD ON NOVEMBER 15, 2022**

**Re: To consider proposal for additional financial assistance (facility II) to M/s Coeval Crafts Pvt. Ltd. (CCPL).**

**BRIEF SUMMARY:**

**➤ Facility-I:**

<b>Name of the company</b>	M/s Coeval Crafts Pvt. Ltd. (CCPL)
<b>Date of Incorporation</b>	24 <sup>th</sup> January 2014
<b>Constitution</b>	Private Limited
<b>CIN No.</b>	U17291WB2014PTC199735
<b>PAN No.</b>	AAFCC5755J
<b>Regd. Office /Corporate Office</b>	BH-60, Utsav, Sardarpara, Krishnapur, Kolkata – 700102, West Bengal.
<b>Promoters</b>	Smt. Munmun Biswas Smt. Sikha Rani Biswas
<b>Sector</b>	Manufacturing,
<b>Industry</b>	Digital Textile printing
<b>Existing Bankers in the company</b>	ICICI Bank (Current Account)
<b>Project already funded under VCFSC (Facility I)</b>	The proposal was sanctioned in the Investment Committee Meeting of VCF-SC held on 11 <sup>th</sup> April 2017 for an investment of Rs.178.66 Lakh (Rupee One Crore Seventy-Eight Lakh Sixty-Six thousand Only) for setting up Digital Printing Unit i.e. Digital textile printing (DTP) for Handloom Cotton Fabric & Silk Fabrics with machines of digital printing at Kolkata. Installed capacity of the plant is 168000 mts per annum. The company has availed disbursement of Rs. 148.33 lakhs till date. The balance amount of Rs.30.33 lakh which was towards miscellaneous assets and margin money for working capital was not drawn by the company.
<b>Project Location</b>	22, UC Banerjee Road, Kankurgachi, Kolkata 700054.
<b>Project Cost</b>	Rs.267.97 Lakh
<b>Means of finance</b>	<ul style="list-style-type: none"><li>• <b>Promoters Contribution</b> - Rs.89.31 lakhs</li><li>• <b>Assistance under VCF-SC</b> - Rs.178.66 lakhs</li></ul>

<b>Security under Facility I</b>	<ul style="list-style-type: none"> <li>• First charge on assets purchased from the assistance under VCF-SC and promoters contribution;</li> <li>• First Charge on the Project land situated at 22, UC Banerjee Road, Kankurgachi, Kolkata 700054 being owned by the promoters;</li> <li>• Pledge of shares held by promoters forming 51% stake of the issued and paid up capital in the company;</li> <li>• Personal guarantee of promoters along with buyback agreement shall be entered;</li> <li>• Security Cheques for repayment of coupon (returns) and principal amount.</li> </ul>
<b>Moratorium period</b>	3 years from the date of 1 <sup>st</sup> Disbursement
<b>Principal redemption Start date</b>	Sep' 20
<b>Principal Outstanding as on 31<sup>st</sup> March 2022</b>	Rs.108.90 Lakh
<b>Account status</b>	Account is Standard and there are no outstanding dues.

➤ **Facility II:**

<b>Proposed Project (Facility II)</b>	The proposed financial assistance for facility II under VCF-SC shall be utilized for setting up manufacturing facility-II of digital textile printing (DTP) on fabrics and post printing finishes of the Company. Installed capacity of the plant will be 4,92,000 mts per annum. The proposed unit will be set up on a land admeasuring 6,300 Sq. Ft. situated at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha, Distt- North 24- Parganas West Bengal. The project land has been acquired by CCPL vide deed of conveyance dated 24.06.2022 for sale consideration of Rs.46.00 lakh.
<b>New/Expansion</b>	Expansion
<b>Project Location</b>	Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha , Distt- North 24- Parganas West Bengal- 700110
<b>Project Cost</b>	Rs.523.80 Lakh
<b>Means of finance</b>	<ul style="list-style-type: none"> <li>• <b>Promoters Contribution</b> Rs.178.80 lakhs</li> <li>• <b>Assistance Applied under VCF-SC (as Facility II) -</b> Rs.345.00 lakhs</li> </ul>
<b>Assistance Recommended</b>	IFCI Venture proposes to invest Rs. 345.00 lakh to CCPL by way of subscription to 3,45,000 OCDs of Rs.100/- each at par.
<b>Proposed Security under Facility II</b>	<ul style="list-style-type: none"> <li>• Exclusive charge by way of mortgage/hypothecation on all the present and future immovable/movable assets of the Company (excluding stock and book debts). This includes all project assets such as land, building, plant</li> </ul>

	<p>and machinery situated at Dag No. 315 &amp; 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha, Distt- North 24- Parganas West Bengal-700110 for facility II. The sale consideration of the project land is Rs.46.00 lakh as per sale agreement dated 24.06.2022;</p> <ul style="list-style-type: none"> <li>• All the securities available with VCF-SC for facility I shall be extended for facility II;</li> <li>• Additional Security cheque for the Principal Amount towards facility II.</li> </ul>
<b>Valuation and Title Search of the project Land</b>	Valuation and Title search of the proposed project land has been carried out and submitted by the empaneled agencies, the reports are found satisfactory.
<b>Repayment</b>	Postdated cheques/ ECS mandate for redemption of OCDs and coupon on OCDs.
<b>Tenure of financial assistance</b>	10 Years from the date of first disbursement. Tenure till 30 <sup>th</sup> June 2027 (first disb. date being June 2017)
<b>Moratorium for facility II</b>	6 months from the date of disbursement of facility II
<b>Date of Screening Committee</b>	10 <sup>th</sup> August 2022
<b>Draft Term Sheet</b>	Draft Term Sheet is enclosed as <b>Annexure – I</b> .

## 1. OBSERVATION OF THE SCREENING COMMITTEE

The proposal was presented to the Screening Committee of VCF-SC in its meeting held on 10<sup>th</sup> August 2022. The Screening Committee after deliberations recommended the proposal to be presented before the Investment Committee of VCF-SC without any specific comments.

## 2. END USE OF THE FUND:

The assistance sought under VCF-SC shall be utilized for expansion of the existing manufacturing facility of digital textile printing (DTP) on fabrics and post printing finishes of the Company by addition of new capacity of 4,92,000 mts per annum. The proposed unit will be set up on a land admeasuring 6,300 Sq. Ft. situated at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha, Distt- North 24- Parganas West Bengal. The project land has been acquired by CCPL vide deed of conveyance dated 24.06.2022 for sale consideration of Rs.46.00 lakh.

## 3. BACKGROUND OF THE PREVIOUS FACILITY - I UNDER VCF-SC:

The Investment Committee of VCF-SC in its meeting held on 11<sup>th</sup> April 2017 had sanctioned financial assistance of Rs.178.66 Lakh to M/s Coeval Crafts Pvt. Ltd. (CCPL) for setting up an in-house digital textile printing unit for Handloom Cotton Fabric & Silk

Fabrics having installed production capacity of 1,68,000 metres per annum, on project land of approx. 3,000 Sq. ft. area at Kankurgachi, Kolkata, West Bengal.

The total cost of the proposed project was Rs.267.97 Lakh, which was to be funded through Promoters Contribution of Rs.89.31 Lakh and an amount of Rs.178.66 lakh was sanctioned under VCF-SC. The company had already availed disbursement of Rs.148.33 Lakh till date and the pending disbursement was towards miscellaneous assets and margin money for working capital which was not drawn by the company.

As per the plan, the Company implemented the project successfully and started receiving majority of work orders based on Job work model. Also, the Company was facing initially working capital issues, hence the company decided to shift the business model to 80% of job work of digital printing on the natural materials-based fabrics i.e. Silk, Cotton, Rayon, Viscous and rest 20% on manufacturing, instead of 35% and 65% respectively at the time of projections. Accordingly, requirement of working capital had reduced and CCPL had got sanctioned overdraft against fixed deposit to an extent of Rs.11 lakhs from ICICI Bank, Dist. North 24 Parganas, West Bengal.

Based on the above change in business model and in order to foray into the new variant of product line, CCPL vide their letter dated 21<sup>st</sup> August, 2020 had requested IFCI Venture under VCF-SC to replace the margin money for working capital of Rs.43,00,000/- with the below mentioned new machines and other capital expenses.

- (i) UV Digital Printing machine;
- (ii) Computer & Peripherals;
- (iii) Digital Pro Scanner;
- (iv) Digital Software Photo-shoot Equipment's (Camera, Lights & Accessories);
- (v) Website Development, Office Interior & Furniture and other miscellaneous assets.

The above proposal was presented before the Investment Committee in its meeting held on 28<sup>th</sup> August 2020 and the proposal was approved. Revised Letter of modification in project cost component was issued to M/s Coeval Crafts Pvt. Ltd. (CCPL). But the said Letter of modification was not accepted by the promoters as the existing factory premises was not sufficient to setup the new machines and they proposed to delay the plan as it required setting up new manufacturing unit.

Now the company has purchased land at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha, Distt - North 24 - Parganas West Bengal - 700110 for setting up new manufacturing unit of Digital textile printing (DTP) for Handloom Cotton Fabric & Silk Fabrics at Kolkata for expansion of the existing business and approached for additional financial assistance under VCF-SC.

#### **4. DETAILS OF THE COMPANY:**

##### **A. Background:**

Coeval Crafts Pvt. Ltd. (CCPL) is a closely held family-owned Pvt. Ltd. Company promoted by Smt. Munmun Biswas and her mother Smt. Sikha Rani Biswas. The

company was incorporated on 24<sup>th</sup> January 2014. The registered office of the company is at BH-60, Utsav, Sardarpara, Krishnapur, Kolkata – 700102, West Bengal.

Coeval Crafts Pvt. Ltd. was set up with an aim to provide design consultancy and carry out business in digital printing in handlooms and handicrafts. The company has set up own Digital Printing Unit for Handloom Cotton Fabric & Silk Fabrics at Kolkata with machines of digital printing capacity of 1,68,000 metres per annum. From 2014 till date, Coeval Crafts team has been working for creating various printing designs on fabric. The manufacturing facility include end-to-end solutions starting from design conceptualization to post printing finishes.

The designing process and other office work is being carried out from the corporate office. Whereas printing process is being carried out in the factory. Since the promoters has set up experienced team of designer therefore, they can have number of orders from renowned brands based on their designing and digital printing capabilities. Presently, majority of production is being done on job work basis for renowned brands such as Ritu Kumar, Anamika Khanna, Mallika Export, AP fashion etc.

The company is also carrying out direct sales, through online channels and taking up job works from various clients including state government contracts, private contracts and Central Cottage Emporium New Delhi, Jharkhand Kadi, Rajlaxmi Kolkata, Singhania Hyderabad etc. The company also supply the finished products through Coeval crafts retail outlets & bulk sales. The Company has started an online portal named "INDILOOM.COM" like Myntra.com, fashionandyou.com, craftsvilla.com, mirraw.com, pavitra.in etc. where they are offering various women wears like sarees, clothings, accessories, fabrics, home décor etc.

Few pictures of existing setup of the factory premises:



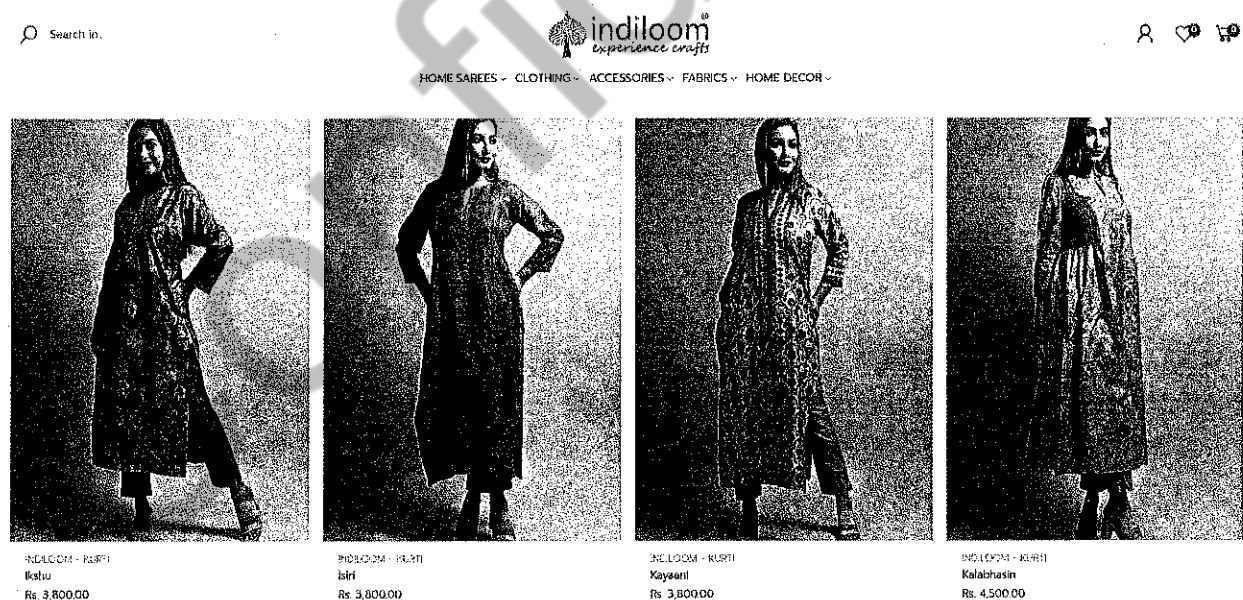
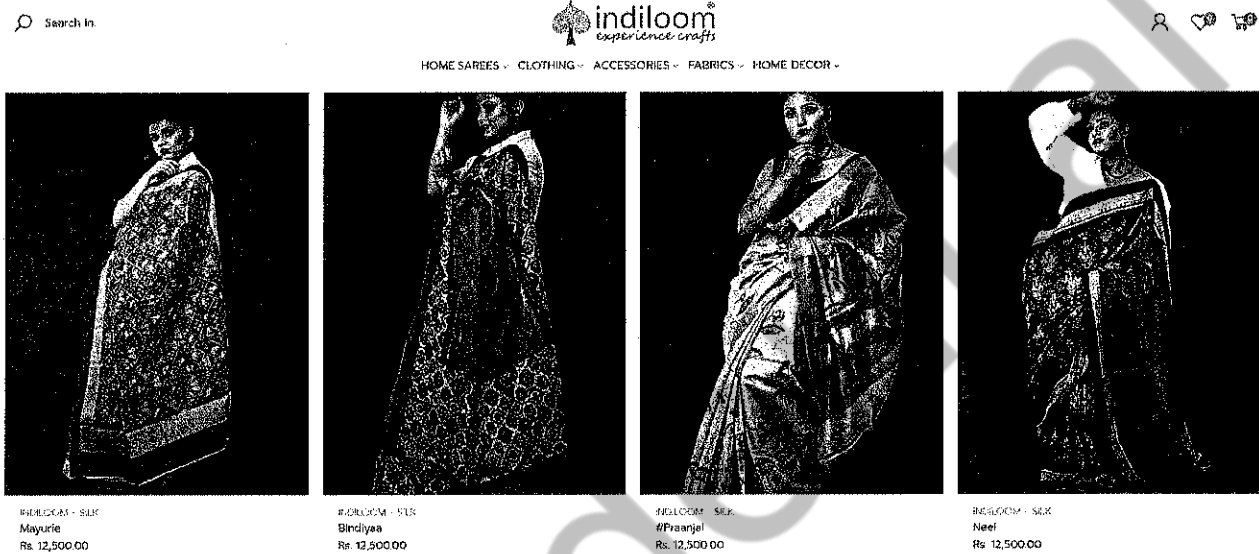
## **B. Existing Products:**

CCPL had set up manufacturing unit for digital printing works on cotton and silk rolls/ fabrics to prepare Sarees & Home Décor Products. Details of the products are as under:

- ✓ Women's wear (like printed silk, chanderi, khadi zari silk sarees, dress materials and customized prints on kurtis, stoles, Printed shawls, printed jackets, printed scarves and other wearable garments);
- ✓ Home Decor products (like printed bed sheets, printed pillow covers, printed cushions, etc)

As per the exiting online portal "Indiloom.Com", the company is selling the following segments of products under the brand name 'Indiloom'. Below are few products pictures from online portal "Indiloom.Com".

- Silk, Chanderi Sarees and Women Accessories:



- Home Decor products:



### C. Awards & Recognition of the Company: -

- ✓ CCPL has been recognized as 'Best Woman Entrepreneur' under 'Ambedkar Business Excellence Award', a national level competition organized by the IFCI Venture and DICCI for recognizing accomplishment of SC Entrepreneurs with established businesses on 14.04.2022 at New Delhi.
- ✓ CCPL has been recognized as a Startup company by DIPP (Department of industrial policy & promotion).

### D. FINANCIAL POSITION OF COMPANY:

#### ➤ Audited Profit & Loss for last 3 years

(Rs. In Lakh)

Particulars	FY 2022	FY 2021	FY 2020
<b>Total Revenue</b>	<b>204.19</b>	<b>82.28</b>	<b>128.49</b>
Cost of Goods sold	59.24	15.69	21.22
Employee Benefit Exp	58.98	19.55	43.68

Other Expenses	33.47	21.11	29.07
<b>EBDITA</b>	<b>52.50</b>	<b>25.93</b>	<b>34.52</b>
Finance costs	12.36	9.97	10.97
Depreciation and amortisation	26.86	12.82	14.45
<b>Profit Before tax</b>	<b>13.28</b>	<b>3.14</b>	<b>9.10</b>
Tax	0.00	0.00	0.32
<b>Profit after Tax</b>	<b>13.28</b>	<b>3.14</b>	<b>8.78</b>

- After implementation of project, CCPL had received majority of work orders on Job work basis, hence, the company decided to shift the working business model to 80% of job work of digital printing on the natural materials-based fabrics i.e. Silk, Cotton, Rayon, Viscous and rest 20% on manufacturing instead of 35% and 65% respectively at the time of projections. Due to this, topline has significantly reduced in comparison to projected turnover. Though the company has made decent profits in last three years.
- Due to covid-19 pandemic, business of the company got severely impacted in FY2020 and FY2021 and the company could not achieve projected turnover and profits. Approval for extension of moratorium period was granted to the company till March 2020 in the investment committee held on July 10, 2019.

➤ **Audited Balance sheet for last three years:**

(Rs. in lakh)

Particulars	FY 2022	FY 2021	FY 2020
<b>Equity</b>			
Share Capital	76.00	76.00	76.00
Reserves and surplus	-22.03	-35.31	-37.37
<b>Net worth</b>	<b>53.97</b>	<b>40.69</b>	<b>38.63</b>
<b>Non-Current Liabilities</b>	<b>113.22</b>	<b>140.79</b>	<b>155.43</b>
Long-term borrowings	108.91	136.48	148.87
Other non-current liabilities	4.31	4.31	6.56
<b>Current Liabilities</b>	<b>68.48</b>	<b>39.11</b>	<b>38.01</b>
Trade Payables	50.80	29.70	28.54
Other Current Liabilities	17.68	9.41	9.47
<b>Total Liabilities</b>	<b>235.66</b>	<b>220.59</b>	<b>232.07</b>
<b>Assets</b>			
Fixed assets	136.63	131.50	144.15
Other non-current assets	26.68	24.32	19.08
Current Assets	72.35	64.76	68.85
<b>Total Assets</b>	<b>235.66</b>	<b>220.59</b>	<b>232.07</b>

**Note:**

☞ Reserves & Surplus are negative on account of losses in FY2017 and FY2018.



- ☞ Long-term liability indicates financial assistance sanctioned to the company under VCF-SC.
- ☞ The company is not availing any working capital facility with any banker/ lender. The company is utilizing FDOD of Rs.11.00 lakh with ICICI bank as and when required.
- ☞ Other current liability indicates deferred tax liability of the company.

## E. CAPITAL STRUCTURE & SHAREHOLDING PATTERN

### ➤ Capital Structure as on November 01, 2022:

A. Authorised Capital	Amount (In Rs.)
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000.00
B. Issued, Subscribed & Paid Up Capital	
10,00,000 Equity Shares of Rs.10/- each, fully paid up	1,00,00,000.00

### ➤ Shareholding pattern as on November 01, 2022:

Name of Shareholder	No. of Share	Amount of Capital (In Rs.)	% Share
Ms. Munmun Biswas	6,42,420	64,24,200	64.24%
Ms. Sikha Rani Biswas	3,50,680	35,06,800	35.07%
IFCI Venture	6,900	69,000	0.69%
<b>Total</b>	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>100%</b>

The Company is 64.42% held by Scheduled Caste women entrepreneur and Promoter. The copy of the Scheduled Castes Certificate of Ms. Munmun Biswas is available with IFCI Venture. The CA certificate dated 1<sup>st</sup> Nov'22 for shareholding pattern has been obtained from the Company.

## 5. BACKGROUND OF PROMOTERS

Company has been promoted by closely held family members. Brief profile of the promoters is as under:

- **Smt. Munmun Biswas**, aged 43 years, has done MBA in International Business from IIFT (Indian Institute of Foreign Trade) Kolkata and has done Bachelors in textile designing from NIFT Kolkata. She had been associated with Jharcraft, a Govt. of Jharkhand undertaking as a marketing partner & consultant. She's also an **Empaneled Designer** at development commissioner (Handicrafts), Ministry of Textiles, Govt. of India, NCJD, Khadi. She has a wide experience in the field of handloom & handicrafts. She's also associated with DICCI as a President – East India.

- **Smt. Sikha Rani Biswas**, aged 70 years, is mother of Smt. Munmun Biswas. She is an entrepreneur with experience of more than 20 years. She also has a wide experience in the field of handlooms and handicrafts and successfully managed 2 retail outlets for selling handloom and handicraft products at Delhi & Kolkata. Both the outlets were closed when they shifted with family from Delhi to Kolkata and then started the CCPL. Presently, she is actively engaged with the administration of the company.

**a) Net-worth of Promoters as on 17/10/2022:**

<b>Names</b>	<b>(Rs. In Lakh)</b>
Munmun Biswas	72.60
Sikha Rani Biswas	251.22
<b>Total</b>	<b>323.82</b>

Net-worth certificates of both the promoters are placed as **Annexure – II**.

**b) CIBIL: -**

<b>Personal CIBIL Score</b>		
<b>1</b>	Ms. Munmun Biswas	648, as per CIBIL report dated 19.10.2022, one credit facilities (credit card) reported written-off with an overdue of Rs.1173/-.
<b>2</b>	Ms. Sikha Rani Biswas	752, as per CIBIL report dated 19.10.2022, all credit facilities reported standard and nil overdue.
<b>Commercial CIBIL</b>		
<b>1.</b>	M/s. Coeval Craft Private Limited	As per CIBIL report dated 09.11.2022, all credit facilities reported standard.

**6. PROPOSED PROJECT (FACILITY II):**

After getting a positive response from market players and witnessing huge demand for their unique designs from all over the Country, the promoters thought of expanding the existing manufacturing facility by adding new technology machines for faster printing and designing so that more orders can be executed. The Company is targeting prime clients like Aditya Birla Group's - Linen Club, Ritu Kumar, Anamika Khanna, Khadi etc. for premium/bulk orders which is currently beyond their capacity.

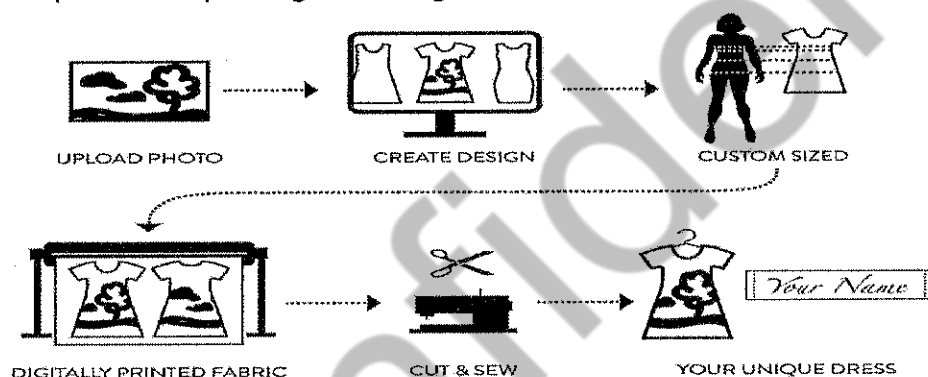
Therefore, the Company proposes to set up the additional manufacturing facility of digital textile printing (DTP) on fabrics and post printing finishes on an industrial land admeasuring 6300 sq. ft. at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha, Distt- North 24- Parganas West Bengal- 700110. The new project location in approx. 10-12 Km away from the existing facility. The project land has already been procured vide conveyance deed dated 24.06.2022 in the name of company for consideration of Rs.46.00 lakh.

The factory shall comprise of prefabricated building of 4,000 Sq. Ft. build up area with centralized AC for plant and machinery and office space. The facility shall also comprise of storage and parking spaces. The building plan has been submitted to the competent authority for approval which is awaited.

The current installed manufacturing/printing capacity with CCPL is 1,68,000 mt. per annum and now it proposes capacity addition of 4,92,000 mts per annum. Therefore after expansion, CCPL shall have an installed capacity 6,60,000 mt. per annum. CCPL shall be purchasing or getting the Cotton and Silk fabric rolls and shall carry out digital printing using ink, padding solutions, softener and fixers. The finished printed rolls shall be cut through cutting machine into sarees and then sent to the packing division. Similar procedure shall be followed for preparing the kurtis, T shirts and other dresses.

For carrying out the direct sales through retail outlets and bulk sales, company shall be directly purchasing the cotton and silk rolls / other fabrics for preparing the finished products. Further, for carrying out the job works, the company shall get the rolls and fabrics directly from the clients and they shall be carrying out the digital printing only on the fabrics and carry out cutting activities.

The process of printing to cutting is as below:



#### ➤ **Location:**

The project shall be set up on a land of 6,300 Sq. ft. area at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha, Distt- North 24- Parganas West Bengal- 700110. The project land has already been procured vide deed of conveyance dated 24.06.2022 in the name of company for consideration of Rs.46.00 lakh.

#### ➤ **Valuation Report of the project Land:**

The valuation of the project land has been carried by Adroit Appraiser and Research Private Limited, an IBBI registered Valuer. As per the valuation report dated 22<sup>nd</sup> September, 2022, the details is as under:

Valuation of land based on Circle Rate	Rs.25.58 Lakh
Valuation of the Property based on Fair	Land - Rs.44.10 Lakh

Market Value	Building- Rs. 24.39 Lakh <b>Total - Rs.68.49 Lakh</b>
Realizable Value as per the valuation report	Land - Rs.39.69 Lakh Building- Rs. 21.95 Lakh <b>Total - Rs.61.64 Lakh</b>
Distress Sale Value as per the valuation report	Land - Rs. 37.48 Lakh Building- Rs. 18.66 Lakh <b>Total - Rs. 56.14 Lakh</b>
Sale deed value (Executed on 24/06/2022)	Rs.46.00 Lakh
Final Recommended Valuation of the Property based Sale deed value (Executed on 24/06/2022)	Rs.46.00 Lakh

➤ **Title Search result:**

M/s SRK & Associates was appointed to conduct Title Search of the property to be mortgaged to IFCI Venture under VCF-SC. The advocate has submitted the Title Search Report vide email dated 11/10/2022. As report submitted by the advocate, title of the property is clear and marketable.

➤ **Products:**

The new factory setup shall be an expansion of the first existing manufacturing unit and product line will remain same for digital printing works on cotton and silk rolls/ fabrics to prepare Sarees and handloom.

➤ **Potential Customers/ Orders in hand:**

As the company has grown potentially and they had witnessed demand/ order for their product directly and job work basis. The Company has no. of order from existing customers and new customers. Few of lined up orders are as under:

S. No	Party Name	Date	Challan No.	Pcs	Mt.
1	Kedia Saree	11-08-2022	KS/400/22-23	53	373
3	Rajharsha Saree	20-08-2022	JOB/6419/22-23	79	553
4	Rajharsha Saree	30-08-2022	JOB/6515/22-23	20	140
5	Bhavana Weavers India Pvt. Ltd.	31-08-2022	DS/310822/01	197	1379
6	Stm Laa Fashion	02-09-2022	STM/0565/22-23	497	3479
7	Kedia Saree	09-09-2022	KS/521/22-23	9	63
8	Rajlakshami Saree	23-09-2022	JOB/1014/22-23	289	2023
9	Kedia Saree	23-09-2022	KS/583/22-23	48	336
10	Rajlakshami Saree	27-09-2022	JOB/1037/22-23	2	14
11	Rajlakshami Saree	10-10-2022	JOB/1068/22-23	144	1008
12	Stm Laa Fashion	11-10-2022	STM/0770/22-23	399	2793
13	Stm Laa Fashion	11-10-2022	STM/0771/22-23	411	2877
14	Stm Laa Fashion	11-10-2022	STM/0772/22-23	152	1064

15	Kedia Saree	15-10-2022	KS/634/2022-23	210	1470
16	Niharika Boutique	18-10-2022	DS/181022/02	42	294
17	Rajlakshami Saree	28-10-2022	JOB/1141/22-23	283	1981
18	Rajlakshami Saree	02-11-2022	JOB/1154/22-23	228	1596
19	Rajlakshami Saree	20-08-2022	JOB/829/22-23	1289	9023
20	Singhanian Prints	02-09-2022	STM/0565/22-23	1700	11900
	<b>TOTAL</b>				<b>42,366</b>

➤ **Marketing Strategy & Competition:**

- Coeval craft is selling its self-designed handloom digitally printed fabric in the brand name of 'Indiloom' through Bulk sale, Retail through Outlets and also by Ecommerce in Domestic, international and Export market.
- CCPL is carrying out sales by procuring Job Works for client on requirement basis;
- Coeval Crafts Pvt. Ltd is getting orders from the customers through own personal contacts and already surveyed database.
- Further, the Company also plans to target more customers by way of popularizing the existing Brand 'Indiloom' through print media, Digital Web promotions & participating in all major Textile Fairs in India & International.
- Further, the company is maintaining a digital PR i.e. social marketing activities and conducting partnering programs which would encourage corporate tie-ups.
- The company is going to diversify by selling their prints in their own registered trademark brand – 'Indiloom' for wholesale and retail. The company has launched their wholesale store of Indiloom at the prime location of Park Street wholesale market of sarees and dress materials.
- Thus to cater further and be associated with big brands and simultaneously sell on own brand would require expansion of the infrastructure and plant machinery of the company.
- CCPL is into creative design work and the company don't have many potential competitors as the design, quality are their biggest competitive advantage. Job work is done on their developed designs which are conceptualised and designed by their design team under promoter's guidance. In the printing industry, the company has made a name for their USP of unique designs and color matching. In the Digital print market, there are few companies which are competitor of CCPL i.e. *Urvashi sarees Pvt. Ltd & Padma Prints.*

➤ **Licenses and approvals:**

Sr. No.	Approval	Status
1.	Land & Development	Possession already taken
2.	GST	Obtained
3.	Construction Plan Approval*	To be Obtained
4.	Power Connection from the State Discom	To be Obtained
5.	Permission for Water Connection	To be Obtained
6.	Approval from the Pollution Control Board	To be Obtained

As confirmed by the promoter that the building plan has been submitted to the competent authority and it is yet to be approved.

➤ **Implementation Schedule:**

<b>Activity</b>	<b>Completion Period</b>
Land	Already procured
Land Development	1 month
Building construction and Prefab shedding works	3 months
Ordering/ Supply of Machinery	1 month
Installation/Testing at site/ Erection & Commissioning	15 days
Pilot Run/Raw Material Sourcing	15 days
<b>Total</b>	<b>6 months</b>

➤ **Organizational Structure:**

The company already has 50 employees and it plans to employ another 32 employees for the new project. Details are as under:

<b>Departments</b>	<b>No of Employees</b>
Accountant	3
Graphic Designer	10
Production Manager	3
Store In-charge	4
Supervisor	4
Sales Personals	10
Helpers	10
General Operator	10
Unskilled Workers	20
Security Guards	4
Peons (Factory Office)	4
<b>TOTAL</b>	<b>82</b>

➤ **Utilities:**

<b>Item</b>	<b>Requirement</b>
Power	As per the promoters, at present the proposed unit will be required power connection of 70-200KW and the same will be arranged through West Bengal Electricity Distribution Corporation Limited. The company is proposing to have 160KVA Genset for power backup option.
Water	The water requirement in the process shall be met through borewell at the project site. The promoter has also proposed to setup Water RO plant since the process require clean water.
Effluents	No effluents are generated from the unit. No scrap will remain in manufacturing process of the proposed product.
Infrastructure	The location has all infrastructural facilities required for running the proposed unit.

## **7. SITE VISIT REPORT:**

The officials of IFCI Venture viz. Ms. Meenakshi Agrawal visited the new project site on 7<sup>th</sup> Oct 2022 at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha , Distt- North 24- Parganas West Bengal- 700110 admeasuring approx. 6300 sqfts. The project site is situated in the North 24-Pargana district in West Bengal, India which is close to Kolkata and also a part of the area covered by Kolkata Metropolitan Development Authority (KMDA). There are major textile mills, marble industry and a rubber factory in this area such as Lux industries, Four Star International Pvt Ltd, Balaji Dyeing, SBS Processing, Baba Loknath Processing etc.

During the site visit, it was observed that the existing factory building is ground floor structure comprising storeroom, shed, bathroom, security room. Though the construction of existing factory building is not as good for setting up manufacturing unit. Therefore, the promoters need to do reconstruction of the factory premises as per building plan submitted to IFCI Venture. The building plan is yet to be approved by the competent authority.

As observed during site visit that the promoters have started repairing and maintenance work of the building. Construction materials viz. sand, bricks, iron rods, crushed stones etc. were available on the project site. The site was well connected by road from 1 side and other 3 sides are vacant land/plots. There were power supply arrangements when the factory was operational but now power supply has been disconnected and the promoters have applied for fresh power connection to the competent authority.

The Corporate office of CCPL situated at BH-60, Utsav, Sardarpara, Krishnapur, Kolkata – 700102, West Bengal was also visited. This is owned premises of the promoter's family. It is warehouse cum office of the company. Approx 10 employees were observed in Accounts & designing department in the company. A detail discussion with regards to the manufacturing process of the project, Market availability, Marketing strategy and commercialization of the expansion project was done with the promoters. During the discussion it was learnt that the promoters have adequate knowledge and experience about the fabric industry, and they have sufficient orders to utilize the proposed expanded facility.

The existing factory premises situated at 22, UC Banerjee Road, Kankurgachi, Kolkata-700054 was also visited that has been mortgaged to IFCI Venture for availing financial assistance under VCF-SC for setting up digital printing unit. Approx 15 employees was observed at the factory premises out of total 32 employees. Most of the employees were on leave due to Durga Puja festival at Kolkata. It was observed that there were two digital printing machines, other auxiliary machines padding machine, steamer, drier, UPS and other machines and all are operational.

The factory premises was very well arranged and equipped with machines, manpower, raw material, finished fabric. During the discussion with Mr. Gaurishakar Das, Production

Manager of CCPL, it was understood that the company is doing business on job basis and print fabric as per design chosen by the customer. Now the company have number of orders and the company requires for expansion of manufacturing facility to complete all order within timeline and also the promoters intend to promote their own brand 'INDILOOM'. With the expanded manufacturing facility, they will be able to design and print fabric under their own brand and sell them directly to the end users. Site pictures of existing and new factory are placed as **Annexure - III**.

## 8. PROJECT COST & MEANS OF FINANCE:

### ➤ Project cost:

(Rs. In Lakh)	
Revised Project Cost	Amount Required
<b>Land &amp; Building</b>	
Factory Land Purchase & Registration	48.60
Site Development	15.00
Building Structure	97.00
<b>Total (A)</b>	<b>160.60</b>
<b>Plant &amp; Machineries</b>	
Padding Machine (Length 40')	30.70
Padding Machine (Length 28')	21.83
Digital Textile Printing Machine 2 Nos.	108.67
Steam Generator	5.90
Water treatment plant	6.00
Hydro Extractor Industrial	2.95
Tumble Drier Industrial	2.95
Calender Heat Transfer Machine	16.00
Steam Ager	10.62
Water RO Plant	7.00
Centralised Air Conditioning (Printing Area)	10.00
Generator (160KVA)	13.77
Power Backup (UPS for Printing Machines & Computers 60 KVA)	9.31
Logistic Vehicle	10.50
Electricity Installation	20.00
<b>Total (B)</b>	<b>276.20</b>
<b>Miscellaneous</b>	
10 Computers with Scanner & Digitiser, Software	15.00
Office Furniture, Fans, Electric fittings	10.00
Bore Well at Site	2.00
PRE- OPERATIVE & LEGAL COST	10.00
Working capital	50.00
<b>Total (C)</b>	<b>87.00</b>
<b>Total (A+B+C)</b>	<b>523.80*</b>



*\* The project cost has been enhanced from Rs.344.10 lakh (as reported at the time of Screening Committee) to Rs.523.80 lakh as now the promoters have received detailed quotation for the building and plant & machinery with GST and crystallised the cost. Also, component of working capital has been added as per the modified guidelines of MOSJE dated 28<sup>th</sup> October 2022.*

### **Notes to the Project Cost:**

#### **a. Land & Building:**

The company propose to set up second digital printing unit for Handloom Cotton Fabric & Silk Fabrics on a land area of 6300 sq. ft. at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha , Distt- North 24- Parganas West Bengal- 700110. The project land has already been procured vide conveyance deed dated 24.06.2022 in the name of company for consideration of Rs.46.00 lakh. And further Rs.2.80 lakh has been incurred for land registration and other expenses.

The company has submitted detailed quotation for civil construction of the factory premises from ABMS & company. As per quotation, the total cost of the building to be constructed is Rs.97.00 lakh for ground floor and first floor. Total carpet area will be approx. 3980 sq. ft per floor. The factory shall comprise of prefabricated building with built-up area of 7,960 Sq. Ft., with centralized AC for plant and machinery and office space. The facility shall also comprise of storage and parking spaces.

#### **b. Plant and Machineries:**

The Company is proposing to procure the following list of plant & machineries and instruments for the proposed unit and has submitted quotation from the supplier mentioned:

<b>Machines</b>	<b>Price in Rs.</b>	<b>Supplier Details (Quotations Received)</b>
Digital Textile Printing Machine (Inkjet printer D8- 180 with spare parts & accessories)	1,08,66,856.00	M/s JISL (Jai Instruments and systems Pvt. Ltd.), Mumbai
Padding Machine-2	53,10,000.00	M/s Uchotech Retailers LLP, Noida
Steam Generator		
Hydro Extractor Industrial		
Tumble Drier Industrial		
Steam Ager		
Calender Heat Transfer Machine	16,00,000.00	Sree Pushpra colors, Chandpur Indl Estate, Varanasi
Generator (160KVA)	13,77,060.00	Power Venue & Freight Fuel Solution, Kolkata
Power Backup (UPS for Printing Machines & Computers 60 KVA)	9,30,790.00	G P Tronics Pvt. Ltd., Kolkata

- c. **Pre-operative and legal cost:** the company is proposing pre-operative expenses as under:

S.NO	EXPENSES	AMOUNT (In Rs.)
1	Legal and other expenses	2,00,000
2	West Bengal Revenue Tax Department	2,00,000
3	Plant & Machinery Insurance	3,00,000
4	Land Sanction Plan	3,00,000
	<b>Total</b>	<b>10,00,000</b>

d. **Working Capital:-**

Since the company is selling their prints in their own registered trademark brand – 'Indiloom' for wholesale and retail and has launched their wholesale store of Indiloom at the prime location of Park Street wholesale market of sarees and dress materials. therefore, the company required more working capital to manufacture under their own registered trademark.

Promoters are expecting sales of Rs.2.00 Cr. for own manufacturing/ printing under their own brand in first year of operation and working capital requirement would be 50.00 lacs for whole year assuming 3-month cycle for smooth production.

➤ **Means of Finances Facility II:**

Sources of Funds	Amount Required (Rs. In Lakh)	%age
Promoters Contribution Equity	178.80	34.00%
VCF-SC OCDs	345.00	66.00%
<b>TOTAL</b>	<b>523.80</b>	<b>100.00%</b>

**Note:** The company has already incurred Rs.71.35 lakh towards proposed project through promoter's contribution as per CA Certificate dated 08.11.2022. An amount of Rs.46 lakh has been spent towards purchasing the project land and building and Rs.25.35 lakh is towards land development/legal expenses etc.

**9. THE DETAILS OF NET WORTH CRITERIA FOR THE FACILITY II ARE AS BELOW:**

(Rs. In lakh)			
Particulars	Existing net worth as on 31st March, 2022	Additional contribution proposed under facility-2	Eligibility Calculation
Company's Net-Worth	53.97	178.80	232.77
Assistance under VCF-SC	108.91 (O/s Balance as on 31.03.2022 -Facility I)	345.00 (Proposed Facility II)	453.91
<b>Number of times of Net-Worth</b>			<b>1.95</b>

## 10. INDUSTRY ANALYSIS:

In this digital era, the Textile Industry has witnessed exceptional growth in the digital printing sector. Digital printing technologies are rapidly growing and changing the face of the Textile printing industry with new types of applications. The use of digital technologies in Textile printing started ages ago (in the late 1980s). Since then, it has been in widespread usage. It has opened doors for clean, efficient, profitable manufacturing of textile products. Now almost anything can be printed on fabric with ease and perfection using digital printing technology.

Digital textile printing is an inkjet-based method of printing colorants on textiles and garments and it is highly flexible and has great potential in the patterning and design of textiles. This method is considered to be the 'sustainable' printing technology which is quite different from the traditional textile printing as it has no negative environmental impact. To print digitally on the fabrics, the dye-sublimation printing technique is used which uses heat to transfer dye onto the fabric. Pre-heating the fabric is important in digital printing because this ensures that the fabric will hold the inkwell and different colors can be attained through this process.

The global market of Digital Textile Printing is expected to grow at a rate of 13.09% from 2020 to 2027 and reach \$8.8 billion by 2027. As per 2019, the global digital textile printing market was valued at \$2.2 billion. In this era of digital textile printing, 15 billion metres of fabric is being printed every day. In the textile industry, the majority of textile printing is done in conventional methods but there is a rapid growing interest for digital printing on textiles. The demand for Digital Textile Printing for apparel and home furnishings is ever increasing due to the various technological developments and worldwide adaptation of the technologies.

With the advancement of new and innovative technologies Digital textile printing processes are further developing. Numerous textile entrepreneurs are embracing these sustainable efficient manufacturing practices in every sector of the textile industry. Prior to the use of digital technologies in textile printing, Textile industry consumed huge amounts of energy and water, affecting the environment by using dye stuff and numerous toxic chemicals in the manufacturing process of textile fabrics, printing, inks, and the finishing of products. But the advent of Digital Printing technology in the textile industry saved billion litres of water worldwide. It is offering a sustainable solution to the textile printing sector by moving forward to replace unsustainable and inefficient manufacturing practices. Hence, it can be said that the Digital Textile Printing industry is developing and progressing at a fast rate with new inventions are carried out which makes textile printing more easy, reliable, less water and energy consuming.

*Source: <https://textilevaluechain.in/in-depth-analysis/digital-textile-printing-the-new-era-in-textile-industry/>*

## 11. FINANCIAL PROJECTIONS OF THE COMPANY:

### • Key Assumptions:

- The Avg. unit price of the products and the quantity to be manufactured have been assumed based on the industry rates and Promoter's negotiation with the prospective clients;
- The production will be commenced in second manufacturing unit after implementation period of 6 months considered as moratorium period for the expanded manufacturing facility.
- The tenure of the facility under VCF-SC will be 10 years (from the dated of first disbursement) till June, 2027. Therefore, projections are given for 6 years for the balance tenure .
- The selling prices i.e. the avg. unit price have been assumed to be increased 2% year on year for the tenure.
- 10% dep. On land & building & 15% dep. for plant & machinery has been considered for the depreciation calculation.

DESCRIPTION	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Installed Capacity (in Mtr.)	168000	660000	660000	660000	660000	660000
Utilised Capacity	80%	50%	60%	70%	80%	80%
Production (in Mtr.)	134400	330000	396000	462000	528000	528000
Production Mtr. per/Hr.	30	110	110	110	110	110
Sales on Job work 80%	107520	264000	316800	369600	422400	422400
Sale (Mtr.) 20%	26880	66000	79200	92400	105600	105600
Viscous Fabrics (Mtr.) 55%	73920	181500	217800	254100	290400	290400
Cotton Fabrics(Mtr.) 15%	20160	49500	59400	69300	79200	79200
Silk Fabrics (Mtr.) 30%	40320	99000	118800	138600	158400	158400
Printed Cotton Fabrics Price (Rs./Metres)	380	387.6	395.4	403.3	411.3	411.3
Printed Silk Fabrics Price (Rs./Metres)	800	816	832.3	849	865.9	865.9
Rayon Crepe (RS./ Metres)	350	357	364.1	371.4	378.9	378.9
Printing on Jobwork	160	163.2	166.5	169.8	173.2	173.2

- **Profitability statements**

(In Rs Lakh)

Particulars	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>Utilization Capacity</b>	80%	50%	60%	70%	80%	80%
<b>Total Revenue</b>	<b>400.0</b>	<b>1000.0</b>	<b>1200.0</b>	<b>1400.0</b>	<b>1600.0</b>	<b>1600.0</b>
Total Expenses	340.0	850.0	1020.0	1190.0	1360.0	1360.0
<b>EBIDTA</b>	<b>60.0</b>	<b>150.0</b>	<b>180.0</b>	<b>210.0</b>	<b>240.0</b>	<b>240.0</b>
Depreciation	21.0	73.7	63.4	54.6	47.1	40.6
Interest	7.0	15.3	11.5	7.5	3.5	0.3
<b>Profit before Tax</b>	<b>31.9</b>	<b>61.0</b>	<b>105.0</b>	<b>147.9</b>	<b>189.4</b>	<b>199.1</b>
Tax	8.0	15.2	26.3	37.0	47.4	49.8
<b>Profit after Tax</b>	<b>24.0</b>	<b>45.7</b>	<b>78.8</b>	<b>110.9</b>	<b>142.1</b>	<b>149.4</b>

*\*As confirmed by the promoter, the company has achieved turnover of approx. Rs.200.0 lakh till date. Considering this, revenue for the FY2022-23 has been projected of Rs.400.00 lakh.*

- **DSCR Calculation:**

Particulars	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>PAT</b>	24.0	45.7	78.8	110.9	142.1	149.4
Add:-Depreciation	21.0	73.7	63.4	54.6	47.1	40.6
Add:- Coupon on VCF-SC	7.0	15.3	11.5	7.5	3.5	0.3
<b>Total Inflow</b>	<b>52.0</b>	<b>134.8</b>	<b>153.7</b>	<b>173.0</b>	<b>192.6</b>	<b>190.2</b>
Less:- Coupon on VCF-SC	7.0	15.3	11.5	7.5	3.5	0.3
Loan Repayment	20.75	85.43	107.00	107.00	107.00	26.74
<b>Total Outflow</b>	<b>27.8</b>	<b>100.8</b>	<b>118.5</b>	<b>114.5</b>	<b>110.5</b>	<b>27.0</b>
DSCR	1.87	1.34	1.30	1.51	1.74	7.05
<b>Avg. DSCR</b>	<b>2.47</b>					

- **Balance Sheet**

Particulars	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Equity Capital	254.8	254.8	254.8	254.8	254.8	254.8
Reserves & Surplus	1.9	47.7	126.5	237.3	379.4	528.8
<b>Net Worth</b>	<b>256.7</b>	<b>302.5</b>	<b>381.3</b>	<b>492.1</b>	<b>634.2</b>	<b>783.6</b>
OCDs from VCF- SC	433.2	347.7	240.7	133.7	26.7	0.0
Other Current Liabilities	52.0	55.0	62.0	65.0	72.0	73.0
<b>Total Liabilities</b>	<b>741.9</b>	<b>705.2</b>	<b>684.0</b>	<b>690.9</b>	<b>732.9</b>	<b>856.6</b>
<b>Non-current Assets</b>						
Fixed assets	519.5	456.1	401.5	354.4	313.8	0.0
Current Assets	222.3	249.1	282.5	336.5	419.1	856.6
<b>Total Assets</b>	<b>741.9</b>	<b>705.2</b>	<b>684.0</b>	<b>690.9</b>	<b>732.9</b>	<b>856.6</b>

## 12. POSITIVE AND NEGATIVE ANALYSIS:

### Positives

- The promoters are well experienced, net worthy and well qualified to carry out the project;
- CCPL has been recognized as 'Best Woman Entrepreneur' under 'Ambedkar Business Excellence Award', a national level competition organized by the IFCI Venture and DICCI for recognizing accomplishment of SC Entrepreneurs with established businesses on 14.04.2022 at New Delhi.
- The concept of digital printing on fabrics is very advantageous as it has opened new opportunities for designers, merchandisers and salespersons.
- The process is not only time effective but also cost effective.
- Permits customers to control the design and printing process from remote locations.
- Existing conduct of the financial assistance has been satisfactory till date.
- The company has potential customer and good no. of orders to deliver hence requested for further investment under VCF-SC for the expansion of manufacturing facility.

### Nagatives

- Now these days, technology is changing very fast. So there may be risk for change in technology in near term.

## 13. COMPLIANCE POSITION AS PER ELIGIBILITY CRITERIA UNDER VENTURE CAPITAL FUND FOR SCHEDULED CASTES (VCF-SC):

Sl. No.	Eligibility Criteria	Details	Compliances/ Remarks
1.	a. <b>If assistance is below Rs.50 lakh</b> - Companies having at least 51% stake holdings by Scheduled Castes entrepreneurs <b>for the past 6 months</b> with management control OR; a new Company provided that the new Company is a successor entity of a Proprietary Firm or Partnership Firm or One Person Company (OPC) or Limited Liability Partnership (LLP) or any other establishment incorporated under any law in force with sound business model which has been in operation for over 6 months, and the predecessor entity had at least 51% shareholding of the Scheduled Castes promoters with management control.		N.A.
	b. <b>If assistance is above Rs.50 lakh</b> - Companies having at least 51% stake holdings by Scheduled Castes entrepreneurs <b>for the past 12 months</b> with management control OR; a new Company provided that the new Company is a successor entity of a Proprietary Firm or Partnership Firm or One Person Company (OPC) or Limited Liability Partnership (LLP) or any other establishment incorporated under any law in force with sound business model which has been in operation for over 12 months, and the predecessor entity had at least 51% shareholding of the		Yes



	Financial Assistance	<p>corpus) can be invested subject to the following:</p> <ol style="list-style-type: none"> <li>Such investment may be limited to innovative Technology-oriented projects/ start-ups fulfilling the conditions mentioned under Eligibility Criteria;</li> <li>The maximum equity investment in a company can be 49%, subject to maximum investment of Rs.5 crore;</li> <li>Such investment shall be at face value of shares in every company, subject to applicable laws;</li> <li>In every investment under the Fund, minimum 25% investment shall be in the form of debentures.</li> </ol> <p>B. Compulsorily Convertible Debentures (CCDs), Optionally Convertible Debentures (OCDs), Non-Convertible Debentures (NCDs), etc. These instruments shall be considered for all companies who are not falling under the category A above.</p>	Equity and Optionally Convertible Debentures (OCDs)
8.	Expected Returns through Investment	<ul style="list-style-type: none"> <li>Equity instruments - 4% p.a. or as per the valuation whichever is higher.</li> <li>Debt/Convertible Instruments- 4% p.a. (For SC women/disabled entrepreneurs -3.75% p.a.)</li> </ul>	<ul style="list-style-type: none"> <li>Equity – 3.75% p.a. or as per the valuation whichever is higher.</li> <li>OCD's – 3.75% p.a.</li> </ul>
9.	Time limit for completion of the project	<ol style="list-style-type: none"> <li>The time for completion of the project would be as envisaged at the sanction stage, subject to maximum of 24 months period from the date of disbursement of the first instalment of assistance under the scheme which may be extended by a further period of 3 months, if reasons for delay are considered justified by the AMC.</li> <li>In case of non-compliance to the implementation schedule, the further balance disbursements of sanctioned amount would be subject to approval by Investment Committee.</li> </ol>	06 months, for setting up new unit under expansion
10.	Tenure of financial assistance	<ol style="list-style-type: none"> <li>Up to 10 years including moratorium period in case of debentures.</li> <li>In case of equity, decision for exit would be taken on case-to-case basis with maximum tenure up to 10 years.</li> </ol>	Till June 2027
11.	Moratorium on Principal/ Redemption of Debentures	In case of debentures, on case-to-case basis but not more than 36 months from the date of investment. Interest payment shall commence from date of investment in the Company at a regular interval as determined by the Investment Committee.	Moratorium of 06 months and redemption of debentures within 10 years from the date of disbursement of the assistance under VCF-SC.



12.	Security	<p>The following securities may be envisaged during the investment:</p> <ul style="list-style-type: none"> <li>• The assets of the project being funded/ assisted under the scheme shall be charged for security. The project assets will include land, building, plant &amp; machinery and rights on licenses/ patents.</li> <li>• Pari-pasu charge on assets with the Banks/FIs in case of the companies applying for assistance of more than Rs. 5 Crore.</li> <li>• 2<sup>nd</sup> charge of the assets created out of the investment where the 1<sup>st</sup> charge is held by the Bank/FIs.</li> <li>• In addition to the charge on assets, post-dated cheques and promissory notes shall be taken.</li> <li>• Personal guarantees of the promoters along with buyback agreement shall be entered.</li> <li>• Pledge of Shares held by promoters and forming atleast 26% stake and upto 51% of the Issued and Paid up capital shall be taken. However, the percentage of pledged shares would be decided on case to case basis.</li> <li>• In case no mortgage is available, the borrower may arrange collateral and corporate guarantees from family / friends / associates / group companies.</li> </ul>	<ul style="list-style-type: none"> <li>• Extension of all charges held by IFCI Venture under VCFSC towards facility I over facility II;</li> <li>• First charge on assets purchased from the financial assistance- II under VCF-SC and promoters contribution.</li> <li>• First Charge on the Project land situated at Dag No. 315 &amp; 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha, Distt- North 24- Parganas West Bengal- 700110 being owned by the CCPL;</li> <li>• Additional Security cheque for the Principal Amount towards facility II.</li> <li>• Personal guarantee of the promoters towards facility II.</li> </ul>
13.	Exit Mechanism	<ul style="list-style-type: none"> <li>• Exit through payments out of operations, buyback/ redemptions by promoters/ companies, strategic investments, listing on stock exchanges or any other exit process</li> <li>• Exit process shall be determined on case to case basis depending on the nature of financial assistance and performance of the company.</li> </ul>	Envisaged through buyback/ redemptions by promoters/ company and through strategic investments.
14.	Default Interest Rate	<ul style="list-style-type: none"> <li>•</li> </ul>	5.75% p.a. from the date of default.

## I. CONCLUSION & RECOMMENDATION

From the above analysis, it can be construed that the company had taken sanction of Rs.178.66 lakh under VCF-SC in June 2017 for setting up its project of digital textile printing at Kolkata. An amount of Rs.148.33 lakh has been disbursed and balance amount of Rs.30.33 lakh could not be disbursed and hence may be cancelled. The Company has grown potentially and they had witnessed demand/ order for their product directly or job work basis hence they had requested financial assistance for facility II under VCF-SC. The assistance shall be utilized for setting up new manufacturing unit of digital textile printing (DTP) on fabrics to increase existing manufacturing capacity from 1,68,000 mtrs per annum to 6,60,000 mtrs per annum.

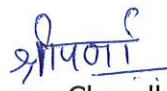
The company propose to set up second digital printing unit for Handloom Cotton Fabric & Silk Fabrics on a land area of 6300 sq. ft. at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha , Distt- North 24- Parganas West Bengal- 700110. The project land has already been procured vide deed of conveyance dated 24.06.2022 in the name of company for consideration of Rs.46.00 lakh.

In view of the above, it is recommended that the Investment Committee of Venture Capital Fund for Scheduled Castes (VCF-SC) may accord its approval for investment of Rs.345.00 Lakh in M/s Coeval Craft Pvt. Ltd. (CCPL) by way subscription to 3,45,000 OCDs of Rs.100/- each, at par, aggregating to Rs.3,45,00,000 (Rupees Three Crore Fourty Five Lakh Only) as per the terms and conditions mentioned in this Memorandum No. 738/2022-23, dated November 10<sup>th</sup> 2022.

The Committee may also severally authorize, the Managing Director (IFCI Venture), General Manager (IFCI Venture), Assistant General Manager (IFCI Venture), Manager-Law (IFCI Venture) to do all such acts and deeds, and to sign all such documents agreements, deeds and writings, as may be necessary, expedient and incidental thereto, to give effect to the above approval and/or governing of future relationship as investor in M/s Coeval Crafts Pvt. Ltd. (CCPL) under VCF-SC.

### Submitted By:-

  
Meenakshi Agrawal  
(Sr. Manager)

  
Sriparna Chaudhary  
(Asst. General Manager)

### Recommended By:-

  
Poonam Garg  
(General Manager)

IFCI Tower,  
61, Nehru Place,  
New Delhi – 110 019  
10.11.2022

**TERM SHEET**

<b>The Company</b>	M/s Coeval Crafts Pvt. Ltd. (CCPL)
<b>Registered Office/ Corporate Office</b>	BH-60, Utsav, Sardarpara, Krishnapur, Kolkata – 700102, West Bengal.
<b>Investor/ Fund</b>	Venture Capital Fund for Scheduled Castes (VCFSC) through IFCI Venture Capital Funds Ltd. (IFCI Venture)
<b>Promoters</b>	1. Ms. Munmun Biswas 2. Ms. Sikha Rani Biswas
<b>Proposed Project</b>	The proposed financial assistance for facility II under VCF-SC shall be utilized for setting up manufacturing facility- II of digital textile printing (DTP) on fabrics and post printing finishes of the Company on a land admeasuring 6,300 Sq. Ft. situated at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha, Distt- North 24- Parganas West Bengal.
<b>Project Location</b>	Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha, Distt- North 24- Parganas West Bengal
<b>Financial Assistance under VCFSC</b>	IFCI Venture proposes to invest Rs.3,45,00,000 (Rupees Three Crore Forty Five Lakh Only) to CCPL by way of subscription to: • <b>Optionally Convertible Debentures (OCDs):</b> 3,45,000 OCDs of Rs. 100/- each, at par, aggregating to Rs.3,45,00,000 (Rupees Three Crore Forty Five Lakh Only)
<b>Tenure of Investment</b>	10 Years from the date of first disbursement till June, 2027
<b>Moratorium Period</b>	6 months from the date of first disbursement for facility-II
<b>Validity period of the sanction</b>	The validity period of the sanction to avail disbursement of the sanctioned financial assistance under VCFSC shall expire after six months from the date of this Term Sheet or within such extended period as IFCI Venture may decide at its sole discretion.
<b>Repayment</b>	Post Dated Cheques/ECS Mandate for coupon payment and redemption of OCDs as per the redemption schedule.

**TERMS & CONDITIONS****I. PROJECT COST**

- The total cost of the project proposed by **M/s. Coeval Crafts Private limited (herein referred to as 'the Company' / 'CCPL')** promoted by Ms. Munmun Biswas and Ms. Sikha Rani Biswas, is **Rs.5,23,80,000 (Rupees Five Crore Twenty Three Lakh Eighty Thousand only)** for setting up manufacturing facility- II of digital textile printing (DTP) on fabrics and post printing finishes of the Company on a land admeasuring 6,300 Sq. Ft. situated at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha, Distt- North 24- Parganas West Bengal.
- The Company/ Promoters shall make arrangements to raise funds through equity shares to the tune of at least **Rs.178.80 Lakh (Rupees One Crore Seventy Eight Lakh Eighty Thousand)** i.e. 34.00% of the total project cost (**Annexed as Appendix-A**), by subscribing to **17,88,000** equity shares of Rs. 10/- each at Par as per the sanctioned project of CCPL to the satisfaction of IFCI Venture.
- The balance approx. 66.0% of the total project cost i.e. **Rs.345.0 Lakh (Rupees Three Crore Forty Five Lakh)** is proposed to be financed through the financial assistance from

IFCI Venture Capital Funds Limited (hereinafter referred as 'IFCI Venture') under Venture Capital Fund for Scheduled Castes (hereinafter referred as 'VCFSC').

- d. The disbursement of Rs.345.00 Lakh shall be in tranches and shall not at any point of time be more than two times the net worth of the Company. The Disbursement shall not at any point of time be more than **66.00%** of the total project cost as per the sanctioned plan, i.e. **Rs.310.0 Lakh** as per sanctioned plan.
- e. IFCI Venture reserves the right of withholding the balance sanctioned assistance in case the company / promoters fail to raise their contribution through equity shares and /or arrange working capital loan through Banks / FIs. The Promoters shall arrange the funds on their own without any recourse to further assistance from IFCI Venture.
- f. The disbursement of IFCI Venture's contribution towards the total project cost shall be done through an Escrow Account with a Scheduled Commercial Bank. The terms of such Escrow Account pursuant shall be in accordance with the terms and conditions of this term sheet.
- g. Machineries are to be procured on time and invoices to be submitted to IFCI Venture. Machineries must be at project land only
- h. The Company should strictly adhere to the implementation schedule (**Annexed as Appendix-C**). The delay in implementation of the proposed project may delay the disbursement and in such case the disbursement will be subject to availability of funds.

## **II. PRE-DISBURSEMENT CONDITION**

- a) The promoters shall bring at least 50% of their contribution i.e., Rs.89.40 Lakh out of total promoter's contribution of Rs.178.80 Lakh upfront in the company in equity, before any disbursement from IFCI Venture under VCF-SC.
- b) The Company shall agree and provide an undertaking that all that all memorandum/agreements/arrangements entered into by the company with the plant & machinery suppliers/vendors and any other agencies/vendors (contractors, etc.) shall hold good and the terms and conditions of the said agreement/memorandum/arrangement are binding and not diluted, which can adversely affect the project implementation and its costing.
- c) Company shall agree and confirm that it shall indemnify IFCI Venture under VCFSC from any loss/damage, etc arising out of non-fulfilment of contractual obligations with any vender/suppliers, etc. including invocation of force majeure clause.

## **III. SUBSCRIPTION TO EQUITY SHARES**

- a. Subject to satisfaction of terms & conditions of this term sheet, IFCI Venture under VCFSC will subscribe to 10,000 (Ten thousand only) equity shares of Rs.10/- (Rupees Ten Only) each in CCPL, aggregating to Rs.1,00,000 (Rupees One Lakh only) as part of overall assistance provided under VCFSC.
- b. The equity shares subscribed by VCFSC in the Company would rank pari-pasu to the other equity shares constituting the paid-up capital of the Company, including issue of bonus shares, distribution of dividends and voting rights etc.
- c. The entire equity shares shall be bought back by the Company/ Promoters after 30<sup>th</sup> September 2026 and on/or before 30<sup>th</sup> June 2027 at an IRR of 3.75% p.a. compounded annually.

#### IV. SUBSCRIPTION TO OPTIONALLY CONVERTIBLE DEBENTURES

- a. Subject to satisfaction of terms & conditions of this term sheet, IFCI Venture under VCFSC will subscribe to 3,45,000 (Three Lakh Forty Five Thousand Only) nos. of OCDs of Rs.100/- each aggregating to **Rs.3,45,00,000/- (Rupees Three Crore Forty Five Lakh Only)** in CCPL. The OCDs shall carry coupon rate of 3.75% per annum to be payable on quarterly basis to VCFSC, starting from the date of disbursement of the assistance under the fund. **In case of any delay in the payment of the coupon on OCDs and/or redemption of OCDs, there shall be a default coupon rate @ 5.75% per annum chargeable for the delayed period of payment.**
- b. The OCDs shall be convertible into equity shares of the Company or redeemed/bought back by Company/Promoters as per terms contained hereinafter.
- c. The Company/ Promoters shall redeem/ buy back up to **3,45,000 (Rupees Two Lakh Forty Five Thousand Only) nos. of OCDs of Rs.100/- each aggregating to Rs.3,45,00,000/- (Rupees Three Crore Forty Five Lakh Only)** held by IFCI Venture under VCFSC after 30<sup>th</sup> June 2023 and on/or before 30<sup>th</sup> September 2026 in the quarterly manner. In case of buyback of OCDs by promoter, the amount brought in by promoter shall remain in the Company till the exit of IFCI Venture. This amount shall remain as equity share capital or any other non-interest-bearing instrument, at the option of the promoter, with prior approval of IFCI Venture.
- d. The redemption/ buyback shall take place as per the below given schedule:

Sl.	Repayment Date	No. of OCD's to be redeemed	Outstanding No. of OCDs of Face Value Rs. 100 /- Each
1	31-Mar-23	0	3,45,000
2	30-Jun-23	0	3,45,000
3	30-Sep-23	21562	3,23,438
4	31-Dec-23	21562	3,01,876
5	31-Mar-24	21562	2,80,314
6	30-Jun-24	21562	2,58,752
7	30-Sep-24	21562	2,37,190
8	31-Dec-24	21562	2,15,628
9	31-Mar-25	21562	1,94,066
10	30-Jun-25	21562	1,72,504
11	30-Sep-25	21563	1,50,941
12	31-Dec-25	21563	1,29,378
13	31-Mar-26	21563	1,07,815
14	30-Jun-26	21563	86,252
15	30-Sep-26	21563	64,689
<b>No. of OCDs to be bought back</b>		<b>2,80,311</b>	
16	31-Dec-26	21563	43,126
17	31-Mar-27	21563	21,563

18	30-Jun-27	21563	0
<b>No. of OCDs to be bought back</b>		<b>3,45,000</b>	
<b>Total OCDs to be bought back</b>		<b>3,45,000</b>	

**Important Note:** The above redemption schedule has been drawn based on the assumption that the Company shall avail the first disbursement in Jan 2023. Hence, all the dates mentioned in this term sheet shall get changed as per the gap between the actual date of first disbursement and assumption date.

- e. The outstanding OCDs as on 30<sup>th</sup> September 2026 shall be converted into equity shares at the sole discretion of IFCI Venture, after reviewing the performance of CCPL as per audited annual accounts of the Financial Year 2025-26 compared with the projections submitted by CCPL (**annexed as Appendix-B**). The resultant shares after opting for conversion of debenture into equity shares, shall rank pari-pasu with the existing equity shares of the Company. The conversion shall be exercised by VCFSC after the audited annual accounts are approved by the shareholders in the Annual General Meeting of the Company for the Financial Year 2025-26 and on/before October 30, 2026.
- f. The conversion of OCDs into equity shares of CCPL as per the above clause may take place after giving an opportunity to the Company/ Promoters to redeem/ buyback the outstanding OCDs as per the redemption/ buyback schedule given at clause (d) above along with coupon rate of 3.75% p.a. after 30<sup>th</sup> September 2026 and on/ or before 30<sup>th</sup> June 2027. The Company shall give its written consent to IFCI Venture within a period of 30 days after 30<sup>th</sup> September 2026.
- g. Such conversion of OCDs into equity shares shall be at the sole discretion of IFCI Venture and in the manner as decided by IFCI Venture. Also, such equity shares held by VCFSC shall carry an IRR of 3.75% p.a. from the date of conversion.
- h. In case IFCI Venture decides not to convert the OCDs into equity shares of CCPL or till such time the outstanding OCDs are not converted into equity shares of CCPL, the Company / Promoters shall continue to redeem / buyback the outstanding OCDs as per the redemption / buyback schedule given at clause (d) above along with coupon rate of 3.75% p.a.

## V. SECURITY FOR INVESTMENT

The redemption/buyback of OCDs & equity, along with redemption / coupon by VCFSC, would be secured by the following:

- Exclusive charge by way of mortgage/hypothecation on all the present and future immovable/movable assets of the Company (excluding stock and book debts). This includes all project assets such as land, building, plant and machinery situated at Dag No. 315 & 316, R.S. Khatian No. 175, Bilkanda-1 Gram panchayat, P.S.- Khardaha , Distt- North 24- Parganas West Bengal- 700110 for facility II). The sale consideration of the project land is Rs.46.00 lakh as per sale agreement dated 24.06.2022;
- All the securities available with VCF-SC for facility I shall be extended for facility II;
- Additional Security cheque for the Principal Amount towards facility II.

## VI. EXIT FROM INVESTMENT

- a. The Company / Promoters shall redeem / buy back **3,45,000** nos. of OCDs of Rs.100/- each aggregating to **Rs.3,45,00,000** held by IFCI Venture under VCFSC along with coupon rate of

3.75% per annum after 30th June 2023 and on/or before 30<sup>th</sup> September 2026 in quarterly manner as specified at clause IV (d) above.

- b. In the event of conversion of OCDs into equity shares of the Company taking place as per clause IV of this term sheet as referred above, the Company/ Promoter(s) shall ensure that the converted equity shares shall be bought back after 30<sup>th</sup> September 2026 and on/ or before 30<sup>th</sup> June 2027 at an IRR of 3.75% p.a. from the date of conversion.
- c. For providing exit for the outstanding equity shares held by IFCI Venture as on 30<sup>th</sup> September 2026, the Company shall approach strategic investors/ other Venture Capital/ Private Equity Funds or Financial Institutions or bring out public issue of its equity shares and get its equity shares listed on a recognized stock exchange, to the satisfaction of IFCI Venture, latest 30<sup>th</sup> June 2027 or within such extended period as IFCI Venture may decide at its sole discretion. Such an exit shall be at a price which gives a net return of 3.75% p.a. compounded annually to IFCI Venture. The exit plan shall be finalised with written approval from IFCI Venture.
- d. In the event of Company failing to provide a suitable exit option to IFCI Venture by 30<sup>th</sup> June 2027, IFCI Venture shall exercise Put Option on the Promoters of the Company at any time thereafter to immediately buy-back the equity shares of the Company held by IFCI Venture on demand and at sole option of IFCI Venture, within a period of 60 days from such demand at the highest of:
  - i) Book value of share of the Company as per latest Balance Sheet of the Company; or
  - ii) Fair price as determined by Merchant Banker/ Valuer/ Independent firm of Chartered Accountants appointed by IFCI Venture; or
  - iii) Price that gives a net return of 3.75% p.a. compounded annually net of dividend receipt, if any.
- e. In the event of default by the promoters in their obligation as above, IFCI Venture under VCFSC, at its sole discretion, will be free to sell equity shares held in CCPL to any person(s) to recover its dues ensuring the return as per the above clause. Any shortfall in sale proceeds shall be made good by the promoters. For recovering its financial assistance amount along with return, IFCI Venture will have right to enforce security available with it by way of charge on assets, pledge of shares and guarantee of promoters etc.
- f. **Tag along rights:** In case the promoters, with consent of IFCI Venture, wish to transfer part of their shareholding in Company to any third party, IFCI Venture will have right at its sole discretion to tag along and exercise the option to sell part or whole of its shareholding to same party at the same price to which promoters are selling equity shares held by them. The Company shall give offer of such tag along right to IFCI Venture for giving its consent within a period of 30 days.
- g. **Drag along rights:** If none of the exit options including buyback of equity by Promoters materializes by 31<sup>st</sup> March 2032 or such extended period as IFCI Venture may decide at its sole discretion, IFCI Venture shall have right to drag along the promoters and require them to sell such number of their shares as specified by IFCI Venture along with it to a third party purchaser at the same price at which IFCI Venture is selling equity shares of CCPL held by it. IFCI Venture shall give 30 days' notice of such drag along rights to the Company.
- h. In the event of default by the promoters in their obligation as above, IFCI Venture, at its sole discretion, will be free to sell equity shares held in CCPL to any persons and recover shortfall, if any, in the assured return.
- i. In case the Promoters of CCPL, with the consent of IFCI Venture, wish to transfer their shareholding in the Company or part thereof, to any third party, IFCI Venture, at its sole



discretion, notwithstanding any provision contained in letter of intent or any other legal agreement executed with CCPL or its Promoters, will reserve the right to convert OCDs subscribed by it or any part thereof into equity shares of CCPL at face value of Rs.100/- per share. Simultaneously, IFCI Venture will have the right to tag along with the promoters and exercise the option to sell such number of equity shares of CCPL held by it, as it deems fit to the same party.

## **VII. EVENTS OF DEFAULT**

- a. Two consecutive defaults at any stage of payment of coupon and / or redemption / buyback of OCDs / Equity as per the schedule given above;
- b. Invalidity or unenforceability of any security;
- c. Non-compliance of regulatory and statutory compliances and corporate governance;
- d. Implementation of the project not achieved by the date as specified in the business plan submitted by the Company or such date as extended by IFCI Venture;
- e. Failure by the promoters to contribute their share as per the approved means of finance;
- f. Any action detrimental to the scheme of the Government;
- g. Abandonment of the project;
- h. Any event which threatens the continuation of the project;
- i. Sale of existing shareholding by Guarantor/Promoter(s) in the Company/ or any other Company/ group Company without prior written permission from IFCI Venture;
- j. Any representation, warranty or statement made or deemed to be made is /or proved to be incorrect or misleading in any manner;
- k. Any event which, in the opinion of IFCI Venture, is likely to constitute Material Adverse Change to the Company;
- l. All or substantially all of the undertaking, assets or properties of the Company or any of its subsidiaries, associates, affiliates or holding Company are seized, expropriated or compulsorily acquired by the authority of Government;
- m. Any step is taken or proceedings started for dissolution or winding-up or for the appointment of a receiver, judicial manager, trustee or similar officer;
- n. Any change in material ownership/control of the Company/or group Company/connected Company without prior permission of IFCI Venture;
- o. Failure to provide latest Net Worth Certificate of Guarantors & Audited annual accounts of the Company;
- p. Any change in Key Management Personnel(s), which in the opinion of IFCI Venture, is likely to constitute Material Adverse Change to the Company/Project;
- q. Failure to provide TDS certificates;
- r. Failure to provide fresh valuation of mortgaged properties & insurance certificate for building and plant & machinery with an endorsement to VCFSC;
- s. Failure to perform or comply with any other obligations or terms and conditions;
- t. In case the Company becomes ineligible as per the scheme of the fund during the tenure of IFCI Venture's assistance.
- u. Failure to provide insurance of factory building, plant & machinery, etc. and making endorsement of the same in favour of VCF-SC.
- v. Failure to perform the contract obligations with machine vendor or any other vendor that will jeopardise the implementation of said financed project.
- w. Alienate/transfer/create any third party right in any of the project assets/security of the company/promoter/guarantor without prior written approval of IFCI Venture.

## **VIII. RIGHTS IN THE EVENT OF DEFAULT**

During the currency of financial assistance under VCFSC if any event of default or potential event of default as mentioned aforesaid has occurred, IFCI Venture shall have the right to:



- a. Cancel undisbursed financial assistance;
- b. Call off the investment and/or recall the said financial assistance/ invoke guarantee(s)/ and/ or take any other appropriate legal actions;
- c. Charge default coupon @ 5.75% (including coupon @ 3.75%) compounded annually from the date of disbursement on the entire outstanding amount for OCDs;
- d. Convert the entire outstanding OCDs including default coupon @ 5.75% p.a. into equity shares at the sole discretion of IFCI Venture under VCFSC. Such equity shares shall be bought back by the Company/ Promoters on/ or before 31<sup>st</sup> March 2032 at an IRR of 3.75% p.a. compounded annually.
- e. Enforcement of the security of properties mortgaged/assets hypothecated/ Shares pledged/ invoke guarantees given to IFCI Venture;
- f. Appoint special auditor in the Company for verification of financials or any other purposes. All expenses related to such appointment shall be borne by the Company;
- g. Stipulate additional conditions in its absolute discretion, etc.
- h. Security Cheque/ECS shall be presented and encashed towards the outstanding dues.

## **IX. PROTECTION OF IFCI VENTURE'S INTEREST**

- a. IFCI Venture shall have the right to conduct an independent secretarial and financial audit of the Company at any time before and after the sanction of financial assistance under VCFSC. IFCI Venture under VCFSC shall have the right to take opinion/review and stipulate any other suitable term(s) for undertaking financial assistance in, as it may deem fit for protecting its interest. The fees & expenses of such opinion/review shall be borne by the Company or its Promoters. IFCI Venture shall reserve the right to cancel the financial assistance sanctioned to the Company in case the opinion/review is not found suitable for the project implementation.
- b. The Promoters shall submit their latest CA certified Net worth certificate for the assets held by the Promoters.
- c. The Company shall not pay any interest on the unsecured loans/ any other investment raised from the promoters/promoter family & friends without written consent of IFCI Venture.
- d. The Promoters shall undertake that they will not dispose and dilute their stake as detailed out in the Net worth certificate till IFCI Venture under VCFSC holds financial assistance in the Company. In case of any dilution the promoters have to take prior written approval from IFCI Venture. The promoters shall submit a CA certified Net worth certificate to IFCI Venture, latest by 30th June of every year till IFCI Venture under VCFSC holds financial assistance in the Company.
- e. The Company shall not provide permission to shareholders to dilute their shareholding without taking prior written consent from IFCI Venture.
- f. The Company will confirm and undertake that there are no law suits/ legal cases pending against the Company or its Directors. The Company/Promoter shall disclose the details of law suits/ legal cases filed/ decided if any.
- g. The Company/Promoter(s) may raise fresh Equity Capital from recognised Private Equity Investors at a fair price determined for the purpose at a valuation increasing @15% per annum compounded annually from the date of first financial assistance in the Company by IFCI Venture under VCFSC or at such rate to the satisfaction of IFCI Venture.
- h. The Company will not transfer/sell the intellectual property rights or franchised production /sale to any party without the prior approval of IFCI Venture. Such approval shall be subject to terms and conditions as may be stipulated by IFCI Venture at that time.
- i. The Company will undertake that it will not increase the rent /other salaries/sitting fees etc. payable to the family members/relatives of the promoters for next two years. Further, on completion of two years, the expenses as stated above can be increased as may be approved by IFCI Venture at that time.
- j. The Company shall maintain systematic and detailed records of development work carried out as well as efforts in securing market acceptance of his product and the documentation will be open to IFCI Venture's inspection and periodical review.

- k. IFCI Venture will have the right to review the cost of the project, before the final disbursement of the funds.
- l. IFCI Venture will have the right to stop further disbursement and/ or call off the assistance/ recall the assistance within the investment period, if in IFCI Venture's opinion, the assistance / the proposed project is either unsuccessful or the results are unsatisfactory and are not likely to lead to the success of the project/ the Company.
- m. The Promoters will undertake to meet the overrun, if any, in the project cost on their own without any recourse to further assistance from IFCI Venture under VCFSC.
- n. The Company / Promoters shall not undertake any major project or expansion or make any investment/ extra ordinary business expenditure without prior written approval of VCFSC/ IFCI Venture.
- o. The equity shares held by IFCI Venture under VCFSC at any period shall rank pari-pasu with the existing issued equity shares with respect to all activities including but not limited to voting rights, dividends and rights issue of the Company.
- p. The Promoter(s) and the Company shall undertake to allot equity shares and OCDs within the time permissible by law to VCFSC. IFCI Venture should receive the related certificates of OCDs and Equity within 30 days from the date of disbursement.
- q. The Company shall further undertake to dematerialise the shares/ debentures including pledged shares within 90 days from the date of sanction of such financial assistance by VCFSC/ IFCI Venture.
- r. In case of any delay/default, IFCI Venture shall have the right to rescind the financial assistance as per terms contained herein and recall the entire financial assistance amount, made so far in to the Company along with a penalty @ 5.75% p.a.
- s. The Company shall confirm firm marketing tie up with job work providing companies, product buyers and shall submit the copies of the signed / executed agreements / MOUs with other firms to IFCI Venture.
- t. The promoters shall make necessary changes (if required) in the MOA & AOA of the Company so as to make the Company enable to carry on the proposed business model from every aspect and as per applicable laws and further to avail the financial assistance under VCFSC.
- u. Company shall not submit any resolution plan individually or jointly for any Corporate Insolvency Resolution process before NCLT.
- v. Company shall inform IFCI Venture in case any Bank / FIs / Operational Creditors serves any notice for filing of application under Insolvency & Bankruptcy code, 2016.
- w. Company shall take written permission from IFCI Venture before bringing any strategic investor(s) & also before appointing him on the Board of CCPL.
- x. The Company shall submit the latest Audited Annual Reports of the Company latest by 31 October/30 November every year.

#### **X. NOMINEE DIRECTOR**

- a. The Company shall have no provisions in MOA/AOA which restricts the appointment/nomination of officers of IFCI Venture as Nominee Director(s) on Board of CCPL & if required shall make necessary modification in its MOA & AOA, to enable IFCI Venture under VCFSC to appoint Nominee Director(s) on the Board of the Company.
- b. IFCI Venture under VCFSC reserves the right to appoint one or more Nominee Director(s) on the Board of Directors of CCPL at any time during the period of the financial assistance under VCFSC and/or so long as VCFSC holds equity shares or OCDs or both in CCPL.
- c. The Nominee Director(s) by IFCI Venture shall not be required to hold any qualification shares and not be liable to retire on rotation.
- d. The Nominee Director(s) shall be entitled to all the rights and privileges of other Directors, including the sitting fees and expenses as payable to other Directors but if any other fees, commission, monies or remuneration in any form is payable to the Directors the same shall accrue to IFCI Venture and shall be paid by CCPL directly to IFCI Venture.

- e. IFCI Venture shall have the liberty and discretion to appoint such Nominee Director(s) immediately after the acceptance of the Letter of Intent by CCPL, but such appointment shall not be construed as any commitment on the part of IFCI Venture to disburse the financial assistance unless IFCI Venture is fully satisfied that CCPL has complied with all the stipulated terms & conditions precedent to such disbursement.
- f. The Company shall indemnify the nominee director(s) of IFCI Venture from all legal actions arising out of the day-to-day affairs of the Company.

#### **XI. MONITORING**

- a. The main promoters of the Company viz. Ms. Munmun Biswas and Ms. Sikha Rani Biswas will not leave/resign from the Company during the entire tenure of financial assistance by IFCI Venture.
- b. The Scheduled Caste promoter of CCPL viz. Ms. Munmun Biswas and Ms. Sikha Rani Biswas shall not dilute their stake below 51% in the Company till the exit of IFCI Venture's financial assistance under VCFSC. However, in the event of any conversion of OCDs held by IFCI Venture under VCFSC, strategic investments, buyouts etc. which result into dilution of stake of the promoters, a prior written approval from IFCI Venture would be required;
- c. CCPL will satisfy IFCI Venture that it has appointed sufficient technical, financial and commercial personnel of proper qualification and experience for the key posts and that its organisational setup is adequate enough to ensure smooth implementation and operations of the proposed project.
- d. CCPL shall satisfy IFCI Venture that the physical progresses as well as expenditure incurred on the project are as per the original schedule. To this end, CCPL shall agree and undertake to furnish to VCFSC/ IFCI Venture such information and data as may be required including CA certified certificate of utilization.
- e. CCPL shall keep IFCI Venture informed about its operations/progress in such manner and in such form as may be prescribed by IFCI Venture i.e., every month or time to time from the date of financial assistance during the implementation of the project and every quarter on commencement of commercial operations as long as IFCI Venture under VCFSC holds any equity shares or OCDs or both in the Company.
- f. CCPL will also furnish to IFCI Venture such additional information, data, documents and explanation as may be called by IFCI Venture in relation to its working and affairs of the Company and other proprietorship firms of the promoters and the directors of the Company as and when required.
- g. CCPL / Promoters shall appoint/re-appoint the statutory auditors to the satisfaction of IFCI Venture if any misconduct or negligence, as defined by the Institute of Chartered Accountants of India, is observed in the working of statutory auditors of the Company.

#### **XII. NON-COMPETE UNDERTAKING**

Without prior written permission of IFCI Venture, the promoters shall not sponsor/ promote directly or indirectly any other Company or entity or engage in any activities and business, that would be in direct or indirect competition or carrying out any business in the industry, in which the Company operates or is detrimental to the interest of the Company, except, otherwise such activities/business are carried out by the Company or its subsidiary (ies).

#### **XIII. ADHERENCE TO BUSINESS PLAN**

- a. CCPL/promoters will make best efforts to ensure that implementation of the proposed project progresses as per the implementation schedule indicated in the business plan submitted to IFCI Venture for sanction of financial assistance.
- b. The Company will submit anticipatory drawl of funds at the time of signing of investment agreement.

- c. IFCI Venture, in its sole & absolute discretion, may cancel the sanction of balance financial assistance or part thereof, in case CCPL delays the drawal of funds beyond a period of 90 days from the date of anticipated drawals as submitted at the time of investment agreement.
- d. IFCI Venture, if deem fit at its sole discretion, may charge commitment charges @ 5% p.a. on amount(s) of anticipated drawals for extension period beyond 90 days as mentioned at para (c) above. Such commitment charges will be charged to the Company at a sole discretion of IFCI Venture.
- e. The Company shall comply with pre-disbursement conditions as per the Letter of Intent & this Term sheet and draw financial assistance from VCFSC as per statement of anticipated drawals of funds.

#### **XIV. MISCELLANEOUS**

- a. Change in the Board of Directors and/ or any change in the position of the Chairman & Managing Director shall be done after seeking prior written approval from IFCI Venture.
- b. It shall be the sole responsibility of the Company /associates to ensure that the services developed with IFCI Venture's assistance under VCFSC do not infringe any existing patents.
- c. The Company shall make arrangements to get required approvals/clearances/licenses from various statutory Authorities for undertaking its activities.
- d. The Company shall make adequate arrangements for utilities at site including water, electricity, communication etc. and shall ensure that suitable manpower is displayed for smooth running of the project.
- e. The Company shall adhere to the rules, regulations and guidelines issued by the Government of India/other statutory authorities relating to the project.
- f. Company and Promoters shall ensure due compliances of all the applicable statutory and legal Provisions/ Acts. Default in compliance, if any, shall have to be set right in 30 days failing which IFCI Venture shall have the right to treat it as event of default and invoke security/ guarantee for recovery of its dues.
- g. All assets of the Company including building constructed in favour of IFCI Venture shall be fully insured by the borrower against fire, lighting, riot, strikes, floods, cyclones, earthquakes, civil commotion and other natural calamities, etc. with the insurance Company approved by IFCI Venture with an endorsement to VCFSC. The policies should be kept alive till IFCI Venture's assistance remains in the Company and the copy of insurance certificate with endorsement to VCFSC shall be provided to IFCI Venture.
- h. The Company should have firm marketing tie up to the satisfaction of IFCI Venture and should be able to produce requisite proofs to IFCI Venture whenever asked for such proofs.
- i. Company shall carry out valuations of the properties to be mortgaged and Title Search Report (TSR) of such property(s) from IFCI Empanelled Valuers & Advocates (if required for leasehold land also) respectively. The charges for Valuation & Title Search shall be borne by the Company.
- j. IFCI Venture has a right to visit the property/project in every six months or as when required by IFCI Venture & the charges of the same shall be borne by Company.
- k. The Company shall provide insurance of the building constructed on the project/property charged to IFCI Venture.
- l. IFCI Venture has a right to publish the audit reports of the Company at a public domain.
- m. Issue of sanction letter to Company does not give any right to Company/Promoters to avail disbursement. The legal documentation and disbursement post sanction of the project is subject to the completion of sanctioned terms & conditions to the satisfaction of IFCI Venture.
- n. In case, any discrepancy is found in the sanctioned project, the sanction is liable to be cancelled at any time at the sole discretion of IFCI Venture. Any investment by the Promoter/Company during the appraisal/sanction period does not give right to the Company/Promoter for claiming disbursement from IFCI Venture under VCFSC.

#### **XV. OTHER MATTERS**

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CCPL will require prior written consent from IFCI Venture under VCFSC for taking the following decisions during currency of IFCI Venture's assistance in CCPL:

- i. Carrying out an IPO;
- ii. Approval of annual accounts of the Company;
- iii. Approval for taking loan/ any other type of funding in the Company;
- iv. For issuing any Rights, Bonus and Preferential issues of equity shares or issue any convertible securities in the Company;
- v. Increase, decrease, buyback or other alteration or modification of authorized or issued share capital;
- vi. Change in the Board of Directors and any change in the position of the Chairman & Managing Director and key managerial persons in the Company;
- vii. Amendments to the Memorandum or Articles of Association (including, without limitation, change in the number of members of the Board stated therein);
- viii. Approval or amendment of annual business plan;
- ix. Entering into any related party transactions between CCPL and its Promoters, Shareholders, Directors or their relatives or its associate and group companies;
- x. Any and all mergers, restructurings, arrangements, amalgamations, consolidations and divestments of CCPL, acquisition of other businesses/ companies, creation of a subsidiary or Joint Venture, sale or disposal or encumbrance of all or a material part of CCPL's assets or closure of an existing business or commencement of any new business;
- xi. Voluntary commencement of winding up proceeding for insolvency or bankruptcy by CCPL or initiation of any legal suits by CCPL against any party;
- xii. Any appointment, engagement or increase in compensation of any person (other than promoters) with total compensation above Rs.10 lakh per annum;

#### **XVI. BREACH OF TERMS AND CONDITIONS**

In the event of breach of any of the terms and conditions contained hereinabove, IFCI Venture shall reserve the right to call off the venture and recall the financial assistance and the promoters / CCPL would be liable to pay the financial assistance amount along with default coupon of 5.75% p.a. on the OCDs and 3.75% p.a. on the equity shares from the date of first disbursement.

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➤ **Project Cost:**

Revised Project Cost	Amount Required
<b>Land &amp; Building</b>	
Factory Land Purchase & Registration	48.60
Site Development	15.00
Building Structure	97.00
<b>Total (A)</b>	<b>160.60</b>
<b>Plant &amp; Machineries</b>	
Padding Machine (Length 40')	30.70
Padding Machine (Length 28')	21.83
Digital Textile Printing Machine 2 Nos.	108.67
Steam Generator	5.90
Water treatment plant	6.00
Hydro Extractor Industrial	2.95
Tumble Drier Industrial	2.95
Calender Heat Transfer Machine	16.00
Steam Ager	10.62
Water RO Plant	7.00
Centralised Air Conditioning (Printing Area)	10.00
Generator (160KVA)	13.77
Power Backup (UPS for Printing Machines & Computers 60 KVA)	9.31
Logistic Vehicle	10.50
Electricity Installation	20.00
<b>Total (B)</b>	<b>276.20</b>
<b>Miscellaneous</b>	
10 Computers with Scanner & Digitiser ,Software	15.00
Office Furniture, Fans, Electric fittings	10.00
Bore Well at Site	2.00
PRE- OPERATIVE & LEGAL COST	10.00
Working capital	50.00
<b>Total (C)</b>	<b>87.00</b>
<b>Total (A+B+C)</b>	<b>523.80*</b>

➤ **Means of Finances Facility II:**

Sources of Funds	Amount Required (Rs. In Lakh)	%age
Promoters Contribution Equity	178.80	34.00%
VCF-SC OCDs	345.00	66.00%
<b>TOTAL</b>	<b>523.80</b>	<b>100.00%</b>

## Appendix - B

### ➤ Profit and Loss Statement: -

(Rs. in lakh)

Particulars	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>Utilization Capacity</b>	40%	40%	50%	50%	55%	55%
<b>Total Revenue</b>	<b>400.0</b>	<b>1000.0</b>	<b>1250.0</b>	<b>1250.0</b>	<b>1375.0</b>	<b>1375.0</b>
Total Expenses	352.0	880.0	1100.0	1100.0	1210.0	1210.0
<b>EBIDTA</b>	<b>48.0</b>	<b>120.0</b>	<b>150.0</b>	<b>150.0</b>	<b>165.0</b>	<b>165.0</b>
Depreciation	21.0	73.7	63.4	54.6	47.1	40.6
Interest	7.0	15.3	11.5	7.5	3.5	0.3
<b>Profit before Tax</b>	<b>19.9</b>	<b>31.0</b>	<b>75.0</b>	<b>87.9</b>	<b>114.4</b>	<b>124.1</b>
Tax	5.0	7.7	18.8	22.0	28.6	31.0
<b>Profit after Tax</b>	<b>15.0</b>	<b>23.2</b>	<b>56.3</b>	<b>65.9</b>	<b>85.8</b>	<b>93.1</b>

### ➤ Balance Sheet:-

(Rs. in lakh)

Particulars	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Equity Capital	254.8	254.8	254.8	254.8	254.8	254.8
Reserves & Surplus	-7.1	16.2	72.5	138.3	224.1	317.3
<b>Net Worth</b>	<b>247.7</b>	<b>271.0</b>	<b>327.3</b>	<b>393.1</b>	<b>478.9</b>	<b>572.1</b>
OCDs from VCF- SC	433.2	347.7	240.7	133.7	26.7	0.0
Other Current Liabilities	52.0	55.0	62.0	65.0	72.0	73.0
<b>Total Liabilities</b>	<b>732.9</b>	<b>673.7</b>	<b>630.0</b>	<b>591.9</b>	<b>577.7</b>	<b>645.1</b>
<b>Non-current Assets</b>						
Fixed assets	519.5	456.1	401.5	354.4	313.8	0.0
Current Assets	213.3	217.6	228.5	237.5	263.9	645.1
<b>Total Assets</b>	<b>732.9</b>	<b>673.7</b>	<b>630.0</b>	<b>591.9</b>	<b>577.7</b>	<b>645.1</b>

➤ **Implementation Schedule:-**

- a. The Company shall avail the first disbursement under VCFSC within six months from the date of issue of this LOI.
- b. The sanctioned project shall be implemented as per the schedule given below:

<b>Activity</b>	<b>Completion Period</b>
Land	Already procured
Land Development	1 month
Building construction and Prefab shedding works	3 months
Ordering/ Supply of Machinery	1 month
Installation/Testing at site/ Erection & Commissioning	15 days
Pilot Run/Raw Material Sourcing	15 days
<b>Total</b>	<b>6 months</b>

\*The above completion period starts from the date of first disbursement under VCFSC.





**G.SAH & COMPANY**  
Chartered Accountants

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Mobile: + 91 9883781471  
Email: gsah.co@gmail.com

**TO WHOM SO IT MAY CONCERN**

This is to certify that we have verified the records and documents of MUNMUN BISWAS, Daughter of SWAPAN KUMAR BISWAS, residing at Bh 60A, Utsav Sardarpara Krishnapur, Kolkata - 700102. On the basis of our verification and according to the information and explanation given to us, we state that the net Worth of Amit Sonpal for Financial Year 2021-22 is Rs. 72,60,042.35 (Rupees Seventy Two Lacks Sixty Thousands Forty Two and Thirty Five Paisa)

**UDIN NO: 22055864BABDXS6112**

Place - Kolkata

Date: - 17.10.2022



**For G. SAH & COMPANY**  
(CHARTERED ACCOUNTANTS)

**Firm Reg. No. 323378E**

*Gajadhar Sah*

**GAJADHAR SAH**  
(PARTNER)

**Membership No. 055864**



**G.SAH & COMPANY**

Chartered Accountants

Swastic Centre 1<sup>st</sup> Floor, P-8 Chowringhee  
Square

Kolkata - 700069

Ph: (033) 22131080, Fax: (033) 22131081

Mobile: + 91 9883781471

Email: gsah.co@gmail.com

**TO WHOM SO IT MAY CONCERN**

This is to certify that we have verified the records and documents of SIKHA RANI BISWAS, Daughter of BANKIM BEHARI KUNDU, residing at Bh 60A, Utsav Sardarpara Krishnapur, Kolkata - 700102. On the basis of our verification and according to the information and explanation given to us, we state that the net Worth of Amit Sonpal for Financial Year 2021-22 is Rs. 2,51,22,249.41 (Rupees Two Cores Fifty One Lacks Twenty Two Thousands Two Hundred Forty Nine and Forty One Paisa)

UDIN NO: 22055864BABEFS9194

Place - Kolkata

Date: - 17.10.2022

For G. SAH & COMPANY  
(CHARTERED ACCOUNTANTS)

Firm Reg. No. 323378E



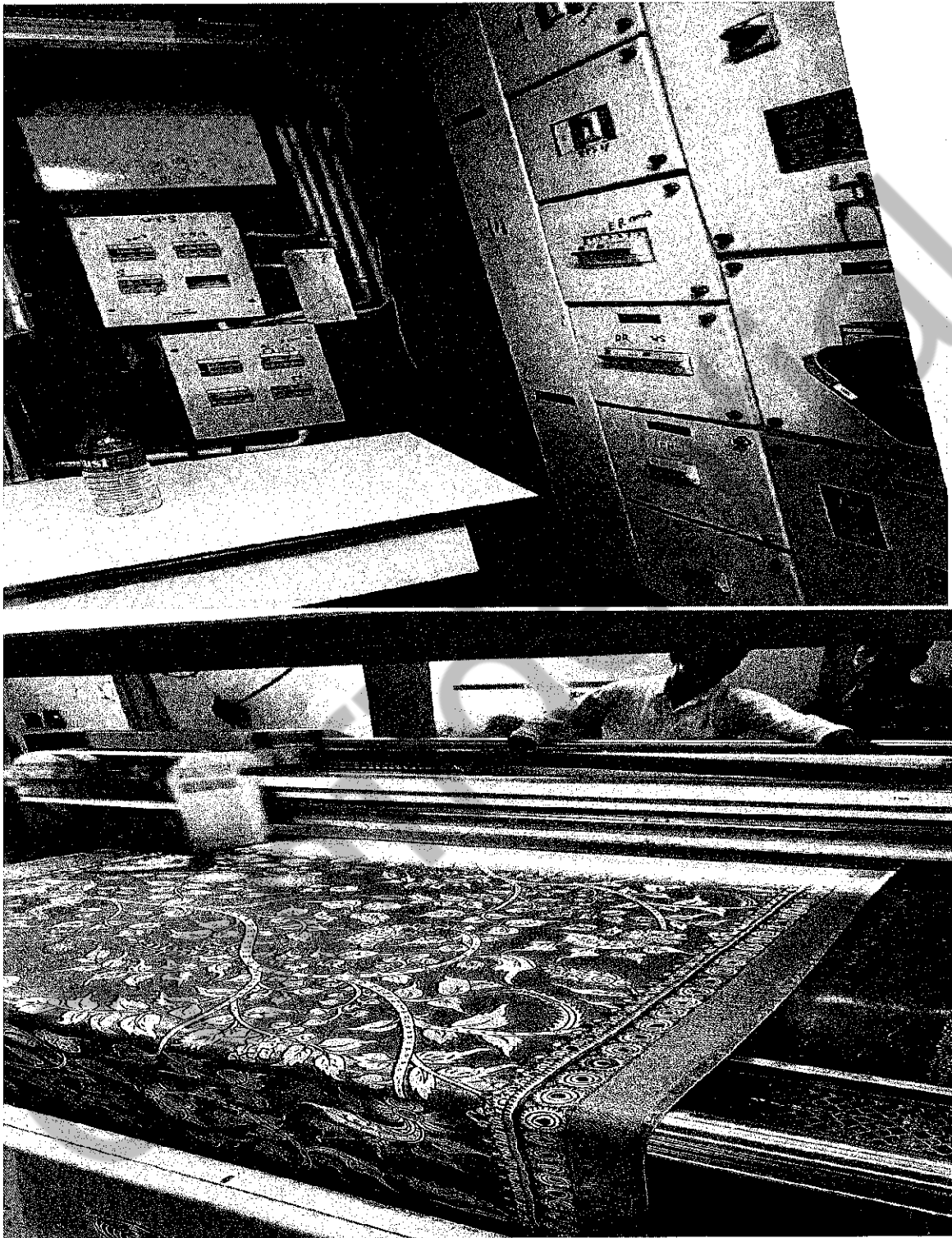
*Gajadhar Sah*

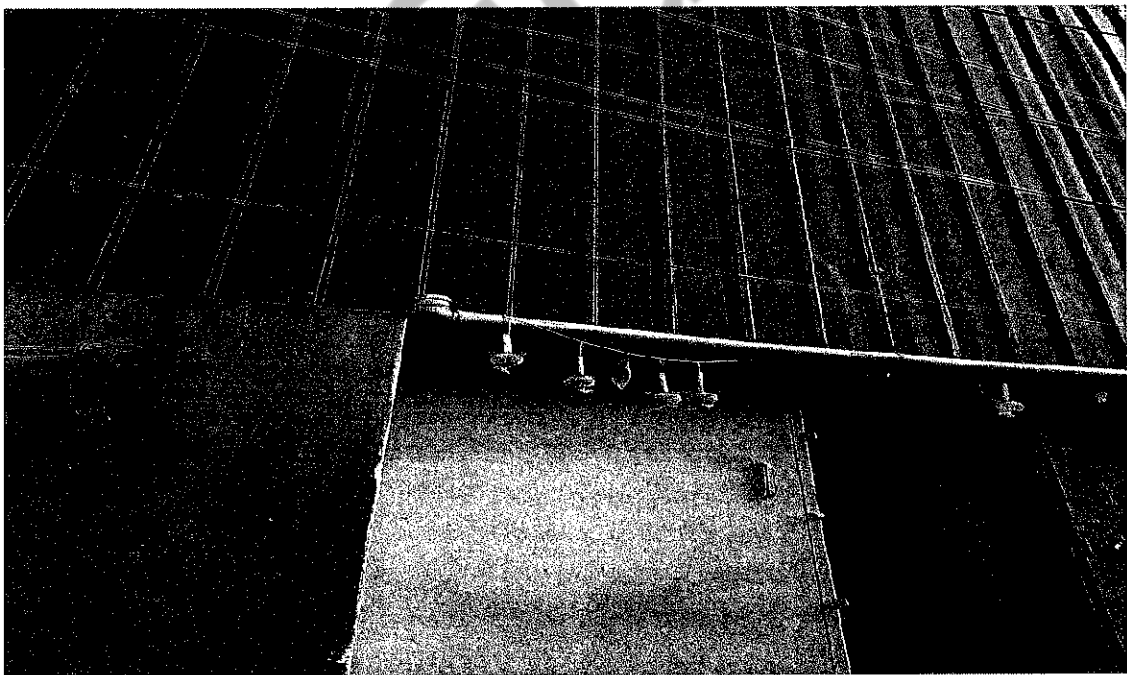
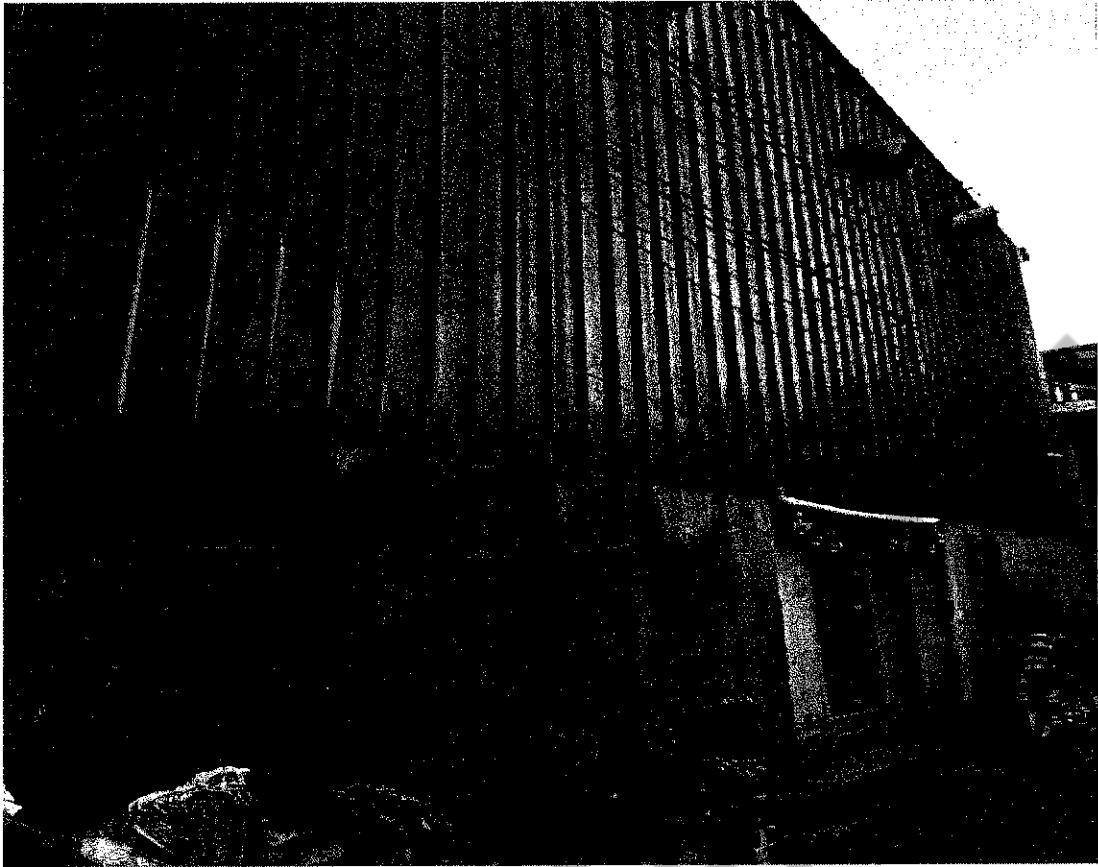
GAJADHAR SAH  
(PARTNER)

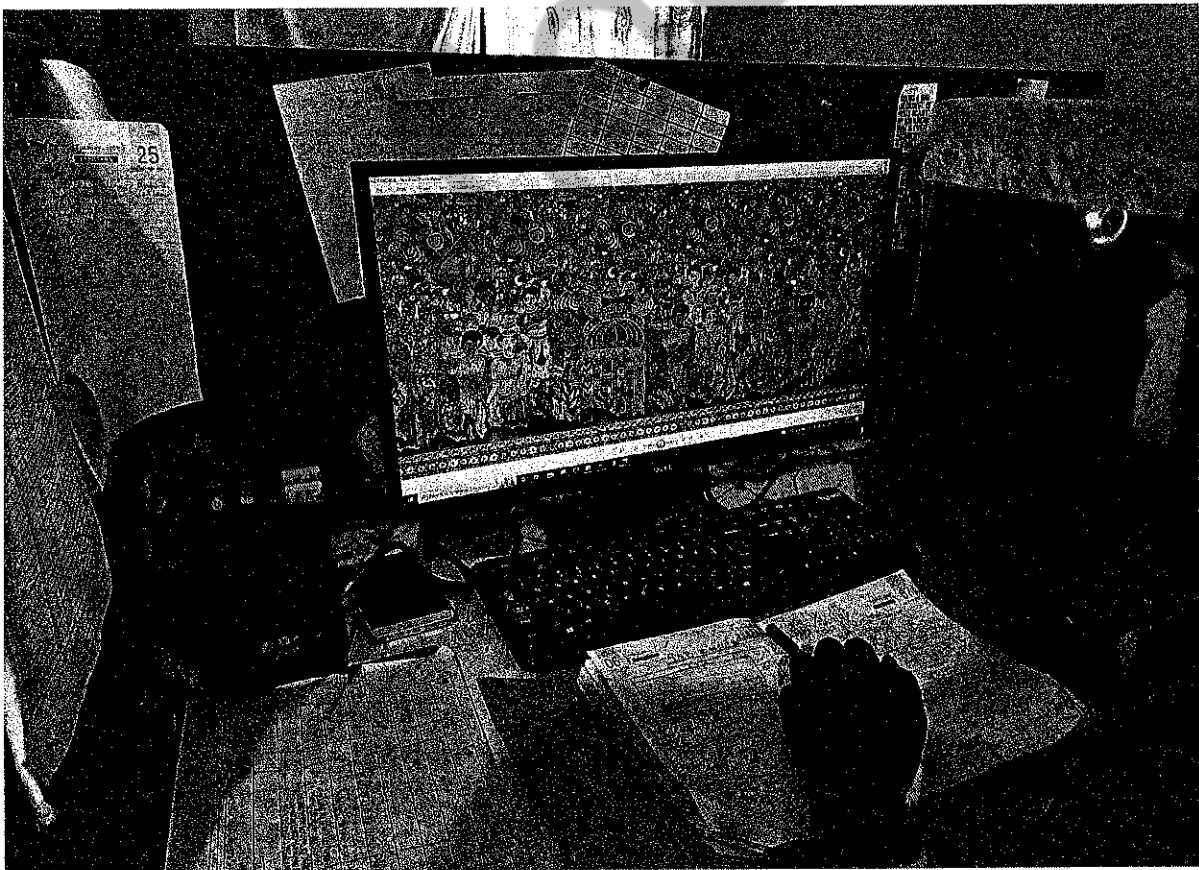
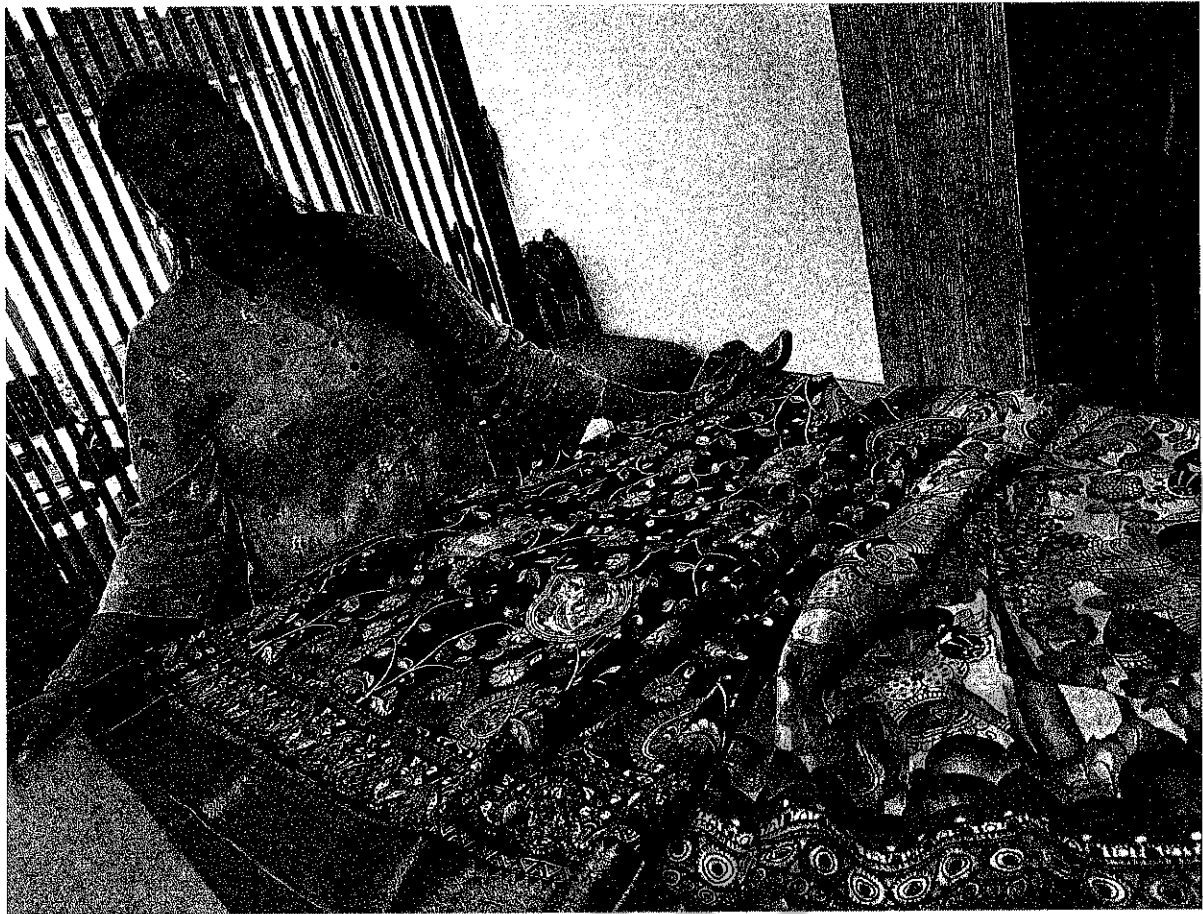
Membership No. 055864

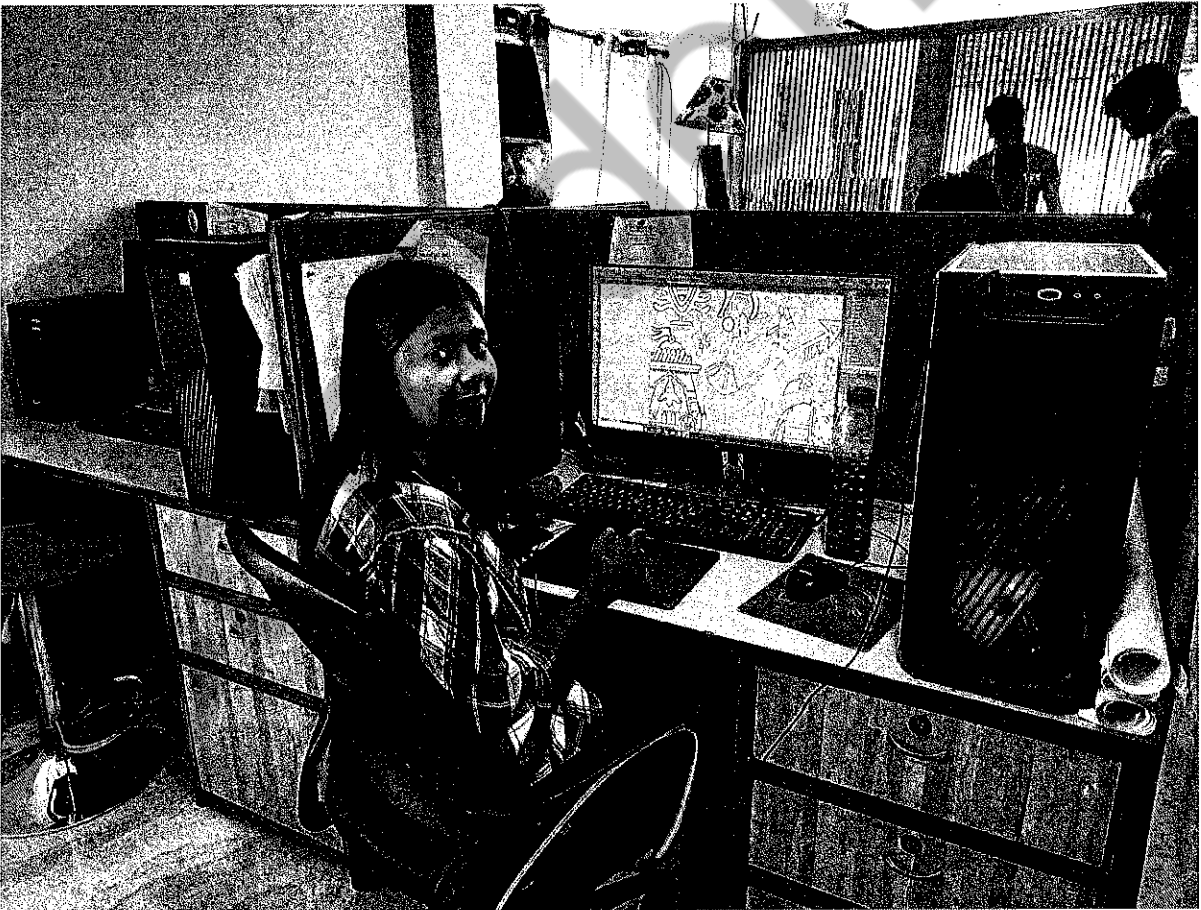
## Annexure-III

### Existing Factory:











## Proposed New Factory

