

This is an abridged prospectus containing salient features of the Red Herring Prospectus dated July 03, 2023 (the "RHP"). You are encouraged to read greater details available in the RHP (Download link:- <https://kakaprofile.com/investors/ipo/>).

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KAKA INDUSTRIES LIMITED

CIN: U25209GJ2019PLC108782; Date of Incorporation: June 21, 2019

Registered Office	Contact Person	Email and Telephone	Website
Plot No. 67, Bhagwati Nagar, Opp Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road Ahmedabad -382415 Gujarat, India	Vandana Arun Baldi, Company Secretary & Compliance Officer	E-mail: investors@kakaprofile.com Tel No: +91-80004-46524	www.kakaprofile.com

PROMOTERS OF THE COMPANY

Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Rajeshkumar Dhirubhai Gondaliya (HUF)

Type of Issue (Fresh/OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in ₹)	OFS Size (by no. of shares or by amount in ₹)	Total Issue Size (by no. of shares or by amount in ₹)	Issue Under 6(1)/ 6(2)	Share Reservation			
					QIB	NII	RII	Market Maker
Fresh Issue	Upto 36,60,000 Equity Shares	Nil	Upto 36,60,000 Equity Shares	This issue is being made in terms of regulation 229 and 253(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.	Not more than 17,32,000 equity shares	At least 5,22,000 equity shares	At least 12,14,000 Equity Shares	Upto 1,92,000 Equity shares

These equity shares are proposed to be listed on BSE SME (i.e. SME platform of BSE Limited).

OFS: Offer for Sale

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders

Name	Type	No of Shares offered/ Amount in ₹	WACA in ₹ per Equity	Name	Type	No of Shares offered/ Amount in ₹	WACA in ₹ per Equity
NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES							

PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

Price Band*	[●] To [●] Per Equity Share of Face Value of ₹ 10 Each.
Minimum Bid Lot Size	For details of minimum bid lot size, please refer to price band advertisement to be published in all editions of English National Newspaper "Business Standard", all editions of Hindi National Newspaper "Business Standard" and Ahmedabad edition of regional newspaper "Amdavad Today"
Bid/Offer Open On**	Monday, July 10, 2023
Bid/Closes Open On	Wednesday, July 12, 2023
Finalisation of Basis of Allotment	On or about Monday, July 17, 2023
Initiation of Refunds	On or about Tuesday, July 18, 2023
Credit of Equity Shares to Demat accounts of Allottees	On or about Wednesday, July 19, 2023
Commencement of trading of Equity Shares	On or about Thursday, July 20, 2023

*For details of price band and basis of issue price, please refer to price band advertisement and page 53 of RHP.

**Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date i.e. Friday, July 07, 2023.

Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP by the promoters

Period	Name of the Promoter	Weighted Average Cost of Acquisition (in ₹)	Upper end of the Price Band (₹ [●]) is 'X' times the weighted Average cost of Acquisition*	Range of acquisition price: Lowest Price – Highest Price (in ₹)
Trailing Eighteen Month from the date of RHP	Rajesh Dhirubhai Gondaliya	12.50*	-	Lowest price – 0 Highest price – 12.50*
	Bhavin Rajeshbhai Gondaliya	12.50*	-	Lowest price – 0 Highest price – 12.50*
	Rajeshkumar Dhirubhai Gondaliya (HUF)	12.50*	-	Lowest price – 0 Highest price – 12.50*

* Post adjustment of bonus shares

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP.

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is Rs. 10/- per equity share. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the BRLM, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “Basis for Issue Price” on page 74 should not be considered to be indicative of the market price of the Equity Shares after listing. No assurance can be given regarding frequency of trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does, SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specified attention of the investors is invited to the section titled “Risk Factors” at page 25 of the RHP and on page 6 of this Abridged Prospectus.

PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the stock exchange, syndicate members, registrar to the issue, share transfer agents, depository participant s, stock brokers, underwriters, bankers to the issue, investors’ associations or Self Certified Syndicate Banks.

If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLM’s or download it from the website of the Stock Exchange i.e. www.bseindia.com and the BRLMs www.hemsecurities.com.

Issue name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark)- 30 th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 90 th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 180 th calendar days from listing
Lloyds Luxuries Limited	Hem Securities Limited	25.63% [6.15%]	29.75% [6.58%]	-44.87% [3.77%]
Vedant Asset Limited		44.25% [5.91%]	37.50% [4.32%]	-1.82% [3.85%]
Baheti Recycling Industries Limited		174.67% [-2.73%]	107.78% [4.82%]	135.22% [0.14%]
Chaman Metallics Limited		44.47% [0.68%]	19.74% [-1.05%]	N.A.
Earthstahl & Alloys Limited		22.50% [1.41%]	45.83% [1.81%]	N.A.
Macfos Limited		69.61% [0.71%]	174.41% [5.99%]	N.A.
Systango Technologies Limited		110.56% [5.00%]	132.56% [10.28%]	N.A.
Labelkraft Technologies Limited		0.27% [3.68%]	24.55% [9.66%]	N.A.
Vasa Denticity Limited		156.13% [3.53%]	N.A.	N.A.
Hemant Surgical Industries Limited		N.A.	N.A.	N.A.

- Note:
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
 - Prices on BSE/NSE are considered for all of the above calculations.
 - In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
 - In case 30th/90th/180th day, scrips are not traded then last trading price has been considered.
 - N.A. – Period not completed
- For further details, please refer to “Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs” on page 199 of the RHP.

Name of BRLM and contact details (telephone and email id) of each BRLM	Hem Securities Limited Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India Tel No.:+91-22-4906 0000 Email: ib@hemsecurities.com Contact Person: Mr. Akun Goyal
Name of Syndicate Members	Hem Finlease Private Limited
Name of Market Maker	Hem Finlease Private Limited
Name of Registrar to the Issue and contact details (telephone and email id)	Bigshare Services Private Limited Address: - S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, India. Tel No.: +91 22 6263 8200 Email: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vinayak Morbale
Name of Statutory Auditor	M/s. Dinesh R Thakkar & Co.
Name of Credit Rating Agency and the rating or grading obtained, if any	Not Applicable
Name of Debenture trustee, if any.	Not Applicable
Self-Certified Syndicate Banks	The list of banks is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Non-Syndicate Registered Brokers	You can submit Bid cum Application Forms in the Issue to Non Syndicate Registered Brokers at the Non Syndicate Broker Centres. For further details, see section titled “Issue Procedure” beginning at page 216 of the RHP
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

PROMOTERS OF THE ISSUER COMPANY

Sr. No.	Name	Individual/Corporate	Experience & Educational Qualification
1	Rajesh Dhirubhai Gondaliya	Individual	He has a work experience of over 22 years in the PVC profile industry and has completed his Secondary School education from Lunidhar Primary School, Amreli, Gujarat in the year 1987. He currently looks after the overall management of the Company.
2	Bhavin Rajeshbhai Gondaliya	Individual	He has completed his Senior Secondary education in 2019 from National Institute of Open Schooling and is pursuing bachelor of commerce from Sabarmati University through distance learning. He has an experience of around 4 years in the PVC profile industry.
3	Rajeshkumar Dhirubhai Gondaliya (HUF)	Non-individual (HUF)	Rajeshkumar Dhirubhai Gondaliya (HUF) is one of the Promoters of the Company which holds 18,60,000 equity shares of the Company which accounts for 18.60% of the pre issue equity share capital of the Company. Rajesh Dhirubhai Gondaliya is its Karta with Bhavin Rajeshbhai Gondaliya, Prabhaben Rajeshbhai Gondaliya and Jinal Rajeshbhai Gondaliya as its members

BUSINESS OVERVIEW AND STRATEGY

Company Overview: Incorporated in 2019, we are a PVC profile brand, focused primarily on manufacturing of polymer-based profiles which finds application in doors, windows, partitions, false ceilings, wall paneling, kitchen cabinets & other interior and exterior works. Our product portfolio has over 1200 SKU's covering PVC Profile, uPVC door & window profile, WPC Profile & sheet in various sizes, specifications and colours. We are also engaged in fabrication of factory-made PVC & Solid PVC doors. Except for WPC (Wood-polymer composite) profile and doors, all our products are non-wood based, which substitute wood-products and results in saving of trees.

Product Offering: Our product portfolio has over 1200 SKU's covering PVC Profile, uPVC door & window profile, WPC Profile & sheet in various sizes, specifications and colours. We are also engaged in fabrication of factory-made PVC & Solid PVC doors. Except for WPC (Wood-polymer composite) profile and doors, all our products are non-wood based, which substitute wood-products and results in saving of trees.

Revenue segmentation by product/service offering:

Particulars	Revenue from Operations (in lakhs)			
	Fiscal year ended March 31, 2022 (standalone basis)	% of Revenue	Fiscal year ended March 31, 2023 (consolidated basis)	% of Revenue
PVC Profile	8251.26	70.55%	9,444.25	61.35%
WPC Profile & Sheet	1754.69	15.00%	2,904.06	18.87%
uPVC Door and Window Profile	716.74	6.13%	1,216.93	7.91%
Factory made doors	242.58	2.07%	483.03	3.13%
Raw Material (Chemicals, Resin and other items)	730.66	6.25%	1,345.20	8.87%
Total	11,695.92	100.00%	15,393.47	100.00%

Geographies Served: We market our products through an extensive network of 300 dealers spread across over 20 States and Union Territories of India. For the Fiscal 2023, we derived major portion of our revenue from the state of Gujarat (i.e. 63.73%), followed by Telangana (8.67%), Maharashtra (7.49%) and Karnataka (4.61%).

Key Performance Indicators:

Particulars	FY 2022-23 (Consolidated)	FY 2021-22 (Standalone)	FY 2020-21 (Standalone)
Revenue from operations ⁽¹⁾	15,849.89	11,695.92	7,874.89
EBITDA ⁽²⁾	1,345.26	956.05	604.73
EBITDA Margin ⁽³⁾	8.49%	8.17%	7.68%
PAT ⁽⁴⁾	718.50	497.66	302.51
PAT Margin ⁽⁵⁾	4.53%	4.26%	3.84%
RoE(% ⁽⁶⁾)	44.93%	50.14%	68.30%
RoCE (% ⁽⁷⁾)	20.83%	21.62%	19.64%

Notes:

⁽¹⁾Revenue from operation means revenue from sales, service and other operating revenues

⁽²⁾EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

⁽³⁾'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

⁽⁴⁾ PAT is calculated as Profit before tax – Tax Expenses

⁽⁵⁾ 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

⁽⁶⁾ Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

⁽⁷⁾ Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

Client Profile or Industries Served: We market our products through an extensive network of 300 dealers spread across over 20 States and Union Territories of India.

Intellectual Property, if any: As on date of Red Herring Prospectus, the Trademark we are using for our products are owned by Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya (Promter) and we have been allowed to use the same through the No Objection Certificates.

Market Share: Not Ascertainable

Manufacturing plant, if any: The Company has three manufacturing units in village Zak, Gandhinagar district, Gujarat.

Employee Strength: As on February 28, 2023, we have employed around 199 employees (including labour) at various levels of the Organization.

BOARD OF DIRECTORS

Sr. No.	Name	Designation (Independent/ Whole time/ Executive/ Nominee)	Experience & Educational Qualification	Other Directorships
1.	Rajesh Dhirubhai Gondaliya	Chairman & Managing Director	Experience: 22 years Qualification: Secondary School Certification	Indian Companies: 1. Bakelite Engineering Private Limited 2. Kaka Engineering Private Limited 3. Pinaxis Hi-Tech Engineering Private Limited Foreign Companies: Nil
2.	Bhavin Rajeshbhai Gondaliya	Bhavin Rajeshbhai Gondaliya	Experience: 3 years Qualification: Senior Secondary Education and pursuing Bachelor of Commerce	Indian Companies: 1. Kaka Engineering Private Limited Foreign Companies: Nil
3.	Prabhaben Rajeshbhai Gondaliya	Non-Executive Director	Experience: 8 years Qualification: Non-Executive Director	Indian Companies: 1. Pinaxis Hi-Tech Engineering Private Limited 2. Kaka Engineering Private Limited Foreign Companies: Nil
4.	Jaimish Govindbhai Patel	Independent Director	Experience: 9 years Qualification: Company Secretary	Indian Companies: 1. Baheti Recycling Industries Limited Foreign Companies: Nil
5.	Niraj Davariya	Independent Director	Experience: 10 years Qualification: 09 th Pass	Indian Companies: 1. Madhavas Plastoprint Private Limited Foreign Companies: Nil

OBJECTS OF THE ISSUE

Details of means of finance: The fund requirements for each of the objects of the Issue are stated as follows:

(₹ In lakhs)

Sr. No.	Objects of the Issue	Total estimate cost	Amount deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization
					Fiscal 2023-24
1	Working Capital requirements	775.00	-	775.00	700.00
2	Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	730.00	-	730.00	730.00
3	General corporate purpose ⁽¹⁾	[●]	Nil	[●]	[●]
	Total Net Proceeds	[●]	[●]	[●]	[●]

⁽¹⁾ To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issue, if any, of the Company in the preceding 10 years. - NIL

Name of monitoring agency, if any – Not Applicable

Terms of Issuance of Convertible Security, if any - Not Applicable

Shareholding Pattern:

Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter and Promoter Group	95,32,000	95.32%
2.	Public	4,68,000	4.68%
	Total	1,00,00,000	100.00%

Number/amount of equity shares proposed to be sold by selling shareholders, if any. – Not Applicable

RESTATED FINANCIALS STATEMENT

Particulars	Consolidated	Standalone	
	2022-23	2021-22	2020-21
Total income from operations (Net)	15,849.89	11,695.92	7,874.89
Net Profit/ (Loss) before tax and extraordinary items	1,003.97	666.45	416.57
Net Profit/ (Loss) after tax and extraordinary items	1,003.97	666.45	416.57
Equity Share Capital	1,000.00	250.00	250.00
Reserves and Surplus	956.88	991.31	493.65
Net worth	1,956.88	1,241.31	743.65
Basic/diluted earnings per share (Rs.)	7.19	4.98	4.59
Return on net worth (%)	36.72%	40.09%	40.68%
Net asset value per share (A/C) (Face Value of ₹ 10 Each) (Based on Actual Number of Shares)	19.57	49.65	29.75
Net asset value per share (A/C) (Face Value of ₹ 10 Each) (Based on Weighted Average Number of Shares)	19.57	12.41	11.28

INTERNAL RISK FACTORS

The below mentioned risks are top 5 risk factors as per the RHP:

1. We have a limited operating and financial history, which makes it difficult to accurately assess our future growth prospects. Further, our restated financial statements for Fiscal 2021, 2022 and 2023 are not comparable due to our Company's Joint Venture being formed in Fiscal 2023.
2. We operate in a price sensitive industry wherein the purchasing decisions of consumers are highly influenced by the product price. Our inability to continue to offer our products at competitive prices may adversely affect our business, results of operations and financial condition.
3. Our Promoters, Directors and Promoter group entities have been subject to search and seizure operations conducted by the Income tax department. Any adverse outcome of such proceedings could have an adverse effect on our business, future prospects, financial condition, results of operations and reputation.
4. We face competition, including from other large and established competitors, and we may fail to compete successfully against existing or new competitors, which may reduce the demand for our Products which may lead to reduced prices, operating margins, profits and further result in decline in revenue.
5. We face competition from substitutes of our products and if consumers' preferences for any of these substitutes increases it could lead to a reduction in the demand for our products, which could have a material adverse effect on our business, financial condition and results of operations.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the company and amount involved:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Other Pending Litigation	Aggregate amount involved* (₹ in lakhs)
Company							
By the Company	2						23.44
Against the Company							
Directors							
By our Directors							
Against the Directors	5	28					269.24*
Promoters							
By our Promoters							
Against the Promoters							
Group Company							
By our Group Company							
Against the Group Company		4					Not Determinable

* To the extent ascertainable

- B. Brief details of top 5 material outstanding litigations against the company and amount involved: Nil
- C. Regulatory Action, if any-disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any: Nil
- D. Brief details of outstanding criminal proceedings against Promoters:

Rajeshbhai Dhirubhai Gondaliya v/s Masumbhai Rajani

The criminal case was filed bearing no. - 3200263/2016 on 29.04.2016 before Addl. Metropolitan Magistrate, Ahmedabad against Masumbhai Rajani under section 138 of the Negotiable Instruments Act, 1881 on account of dishonour of cheque bearing no. 564568 dated 08.02.2016 for an amount of INR 1,08,078/-

Rajeshbhai Dhirubhai Gondaliya v/s Manoj Arunkumar Maheta and Chhaya Manojkumar Maheta

Four criminal cases were filed bearing no. - 78553/2018, 78546/2018, 78543/2018 and 78537/2018 on 23.08.2018 before Addl. Metropolitan Magistrate, Ahmedabad against Manoj Arunkumar Maheta and Chhaya Manojkumar Maheta under section 138 of the Negotiable Instruments Act, 1881 on account of dishonour of cheque bearing no. 000136 dated 16.05.2017 for an amount of INR 15,00,000/- (Rupees Fifteen Lakhs only).

For further details of the outstanding litigation proceedings, see "Outstanding Litigation and Material Developments" on page 185 of the RHP

ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY - NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Red Herring Prospectus are true and correct.

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