



**RED HERRING PROSPECTUS**  
Dated: May 01, 2024  
Please read Section 26 and 32 of the  
Companies Act, 2013  
100% Book Built Issue



**ENERGYMISSION**  
MACHINERIES (INDIA) LTD.

**ENERGY-MISSION MACHINERIES (INDIA) LIMITED**

CIN: U29100GJ2011PLC063696

Registered Office	Contact Person	Email and Telephone	Website
E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand, Bol, Ahmedabad, Gujarat – 382 170, India	Bhargavi Dilipbhai Gupta Company Secretary & Compliance Officer	<b>E-mail:</b> <a href="mailto:cfo@energymission.com">cfo@energymission.com</a> <b>Tel No:</b> +91-7984768296	<b>Website:</b> <a href="http://www.energymission.com/">www.energymission.com/</a>

Promoters of the Company
Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal, Snehal Narendra Mehta and Sumitraben Mehta

DETAILS OF THE ISSUE				
Type	Fresh Issue Size (in ₹ lakhs)	OFS Size (by no. of Shares or by amount in ₹)	Total Issue Size (in ₹ lakhs)	Eligibility
Fresh Issue	29,82,000 Equity Shares aggregating to ₹ [●]Lakhs	Nil	₹ [●]Lakhs	This Issue is being made in terms of regulation 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, 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 83 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 24 of this Red Herring Prospectus.


**ISSUER’S ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of NSE (“NSE Emerge”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received “in-principle” approval letter dated April 26, 2024 from NSE (NSE EMERGE) for using its name in the Offer Document. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”).

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>HEM SECURITIES LIMITED</b>	Neelkanth Agarwal	<b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> ; <b>Tel. No.:</b> +91- 022- 49060000

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>Bigshare Services Pvt. Ltd.</b> Bigshare Services Private Limited	Mr. Asif Sayyed	<b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Tel No.:</b> +91 22 6263 8200

**BID/ISSUE PERIOD**

ANCHOR PORTION ISSUE OPENS/CLOSES ON: WEDNESDAY, MAY 08, 2024*	BID/ISSUE OPENS ON: THURSDAY, MAY 09, 2024	BID/ISSUE CLOSES ON: MONDAY, MAY 13, 2024**

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.



**ENERGYMISSION**  
MACHINERIES (INDIA) LTD.

**ENERGY-MISSION MACHINERIES (INDIA) LIMITED**  
CIN: U29100GJ2011PLC063696

Our Company was originally incorporated as a private limited Company under the name of “Energy-Mission Machineries (India) Private Limited” on January 17, 2011 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing registration number as 063696. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on July 31, 2023 and the name of our Company was changed from “Energy-Mission Machineries (India) Private Limited” to “Energy-Mission Machineries (India) Limited” vide fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate identification number of our Company is U29100GJ2011PLC063696.

**Registered Office:** E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand, Bol, Ahmedabad, Gujarat – 382 170, India.

**Contact Person:** Bhargavi Dilipbhai Gupta Company Secretary & Compliance Officer

**Tel No:** +91-7984768296; **E-mail:** cfo@energymission.com; **Website:** www.energymission.com/;

**Promoters of our Company:** Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal, Snehal Narendra Mehta and Sumitraben Mehta

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC OFFER OF UPTO 29,82,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF ENERGY-MISSION MACHINERIES (INDIA) LIMITED ("OUR COMPANY" OR "EMMIL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,50,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 28,32,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.33 % AND 25.00 % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND AHMEDABAD EDITION OF AHMEDABAD EXPRESS, A REGIONAL NEWSPAPER (GUJARATI BEING THE REGIONAL LANGUAGE OF AHMEDABAD WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NSE ("NSE EMERGE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE**

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 243 of this Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Managers, 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 83 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 24 of this Red Herring Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

The Equity Shares Issued through this Red Herring Prospectus are proposed to be listed on the SME Platform of NSE (NSE EMERGE). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received "in-principle" approval letter dated April 26, 2024 from NSE (NSE EMERGE) for using its name in the Offer Document. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Ltd. ("NSE")

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**HEM SECURITIES LIMITED**  
904, A Wing, Naman Midtown, Senapati Bapat Marg,  
Elphinstone Road, Lower Parel, Mumbai-400013, India  
**Tel. No.:** +91- 022- 49060000; **Fax No.:** +91- 022- 22625991  
**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)  
**Investor Grievance Email:** [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)  
**Website:** [www.hemsecurities.com](http://www.hemsecurities.com)  
**Contact Person:** Neelkanth Agarwal  
**SEBI Regn. No.** INM000010981



**Bigshare Services Pvt. Ltd.**

**Bigshare Services Private Limited**  
**Address:** S6-2, 6th Floor, Pinnacle Business Park, Next  
to Ahura Centre, Mahakali Caves Road, Andheri (East)  
Mumbai – 400093, India.  
**Telephone:** +91 22 6263 8200; **Facsimile:** +91 22 6263 8299  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact Person:** Mr. Asif Sayyed  
**SEBI Registration Number:** INR000001385  
**CIN:** U99999MH1994PTC076534

**ISSUE PROGRAMME**

**ANCHOR PORTION ISSUE OPENS/CLOSES ON:**  
**WEDNESDAY, MAY 08, 2024\***

**BID/ISSUE OPENS ON:**  
**THURSDAY, MAY 09, 2024**

**BID/ISSUE CLOSES ON:**  
**MONDAY, MAY 13, 2024\*\***

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 89, 151 and 274 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

<b>Terms</b>	<b>Description</b>
“EMMIL”, “the Company”, “our Company”, “Issuer” or “Energy-Mission Machineries (India) Limited”	Energy-Mission Machineries (India) Limited, a Company incorporated in India under the Companies Act, 1956, having its Registered office at E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand, Bol, Ahmedabad, Sanand, Gujarat – 382 170, India.
“we”, “us” or “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.

#### Company related terms

<b>Term</b>	<b>Description</b>
AOA/ Articles/ Articles of Association	The articles of association of our Company, as amended
Audit Committee	Audit Committee of our Company as described in the chapter titled “ <b>Our Management</b> ” beginning on page 130 of this Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. SSPJ & Co., (Firm Registration No. as 018083N).
Bankers to our Company	HDFC Bank Limited
Board of Directors/ the Board/ our Board	The board of directors of our Company, as constituted from time to time. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page 130 of this Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Satishkumar Kanjibhai Parmar.
CIN	Corporate Identification Number
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Bhargavi Dilipbhai Gupta (M. No.: A72319)
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified. For details of our directors, see “ <b>Our Management</b> ” on page 130 of this Red Herring Prospectus
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
DP ID	Depository’s Participant’s Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of the Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.

<b>Term</b>	<b>Description</b>
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Group Companies	Our group companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as set out in section titled <b>“Our Group Companies”</b> on page 220
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see <b>“Our Management”</b> on page 130 of this Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE0S1L01013
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 130 of this Red Herring Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Energy-Mission Machineries (India) Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Dineshkumar Shankarlal Chaudhary.
Materiality Policy	The policy adopted by our Board on December 30, 2023 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled <b>“Our Management”</b> beginning on page 130 of this Red Herring Prospectus
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Promoter(s)	Shall mean promoters of our Company i.e. Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal, Snehal Narendra Mehta and Sumitraben Mehta. For further details, please refer to section titled <b>“Our Promoter &amp; Promoter Group”</b> beginning on page 144 of this Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our Promoter Group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoter and Promoter Group”</b> beginning on page 144 of this Red Herring Prospectus.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand, Bol, Ahmedabad, Sanand, Gujarat - 382 170, India.
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information/ Statements	The Restated Financial statements of our Company comprising of the Restated Statement of Assets and Liabilities for nine months period ended at December 31, 2023 and financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statement of Profit & Loss for nine months period ended at December 31, 2023 and financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021 and the Restated Cash Flows Statements for nine months period ended at December 31, 2023 and financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018

Term	Description
	and the Revised Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Unless specified otherwise refers to ROC Ahmedabad situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013, Gujarat.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled " <b><i>Our Management</i></b> " beginning on page 130 of this Red Herring Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited (NSE).
Shareholders	Shareholders of our Company from time to time.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Satishkumar Kanjibhai Parmar and Dineshkumar Shankarlal Chaudhary.

### **Issue Related Terms**

Terms	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidders as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the retail individual investors and other than retail individual investors, including corporate bodies or institutions.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Fresh Issue to successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	A successful applicant to whom the Equity Shares are allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI (ICDR) Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI (ICDR) Regulations.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and

<b>Terms</b>	<b>Description</b>
	will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA Applicant/ ASBA Investor	Any prospective investor(s)/applicant(s) in this Issue who apply (ies) through the ASBA process in terms of the Prospectus.
Banker to the Issue Agreement	Agreement dated March 28, 2024 entered into amongst the Company, Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Bankers to the Issue / Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Axis Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 243 of this Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ahmedabad Edition of Regional newspaper Ahmedabad Express where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ahmedabad Edition of Regional newspaper Ahmedabad Express where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.

<b>Terms</b>	<b>Description</b>
Bidders /First Bidder/Applicant	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Bidding	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue in this case being Hem Securities Limited, SEBI Registered Category-I Merchant Banker.
Broker Centres	Broker Centres notified by the Stock Exchanges, where the investors can submit the Bid-cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agent	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their Address, PAN, name of the Bidders father/husband, investor status, occupation and Bank Account details.
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Director Identification Number
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Bid-cum-Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseeindia.com">www.nseeindia.com</a>
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account(s) or the Refund Account(s), as applicable, in terms of the Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Issue.



<b>Terms</b>	<b>Description</b>
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	Hem Finlease Private Limited
Designated RTA Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited ("SME Exchange") ("NSE Emerge")
DP ID	Depository's Participant's Identity Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated January 19, 2024 as being filed with NSE Emerge
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Fresh Issue	The fresh issue of up to 29,82,000 Equity Shares by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any offer related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Manager.
HSL	Hem Securities Limited

<b>Terms</b>	<b>Description</b>
Issue Agreement	The Issue Agreement dated January 17, 2024 between our Company and Book Running Lead Manager, Hem Securities Limited.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Red Herring Prospectus being ₹ [●] per Equity share, as determined by our Company, in consultation with the BRLM.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 74 of this Red Herring Prospectus
Issue / Public Issue / Issue size/ Initial Public Issue / Initial Public Offering/ IPO	The Initial Public Offer of upto 29,82,000 Equity shares of ₹ 10/- each at Issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs comprising the Fresh Issue.
Book Running Lead Manager/ LM	Manager to the Issue, in this case being Hem Securities Limited, a SEBI Registered Merchant Banker.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
LLP	Limited Liability Partnership
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker Reservation Portion	The reserved portion of 1,50,000 Equity Shares of ₹10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Issue.
Market Making Agreement	The Market Making Agreement dated January 17, 2024 between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 28,32,000 equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the “Issue Price”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh issue excluding issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 74 of this Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Institutional Bidders	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of 4,25,000 Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.

<b>Terms</b>	<b>Description</b>
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 14,15,000 Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors).
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Account will be opened, in this case being Axis Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids
Registrar Agreement	The agreement dated January 18, 2024 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Bigshare Services Private Limited.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.

<b>Terms</b>	<b>Description</b>
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of 9,92,000 Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI (PFUTP) Regulations/ PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
SME Exchange	SME Platform of the NSE i.e. NSE Emerge.

<b>Terms</b>	<b>Description</b>
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Specified Securities	Equity shares offered through this Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement January 17, 2024 entered between the Underwriter, BRLM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Issue in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Venture Capital Fund/ VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and

Terms	Description
	(b) issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

### **Technical and Industry Related Terms**

Term	Description
Application Industries	Customers operating in various end-user industries
CAZRI	Central Arid Zone Research Institute
CERN	Conseil Européen pour la Recherche Nucléaire (European Council for Nuclear Research)
CNC	Computer Numerical Control
CPI	Consumer Price Index
DPA	Deendayal Port Authority
EAP	East Asia and Pacific
ECA	Europe and Central Asia
EMDE	Emerging Market and Developing Economies
EMS	Electronics Manufacturing Services
GDP	Gross Domestic Product
GIDC	Gujarat Industrial Development Corporation
HM	Hydro Mechanical
HVAC	Heating, Ventilation, and Air Conditioning
IIP	Index of Industrial Production
IW	Iron Worker
LAC	Latin America and the Caribbean
MFP	Mega Food Parks
MNA	Middle East and North Africa
MoSPI	Ministry of Statistics & Programme Implementation
MS	Mild Steel
NC	Numerical Control
PE-VC	Private Equity-Venture Capital
PPP	Public-Private Partnership
SAR	South Asia
SSA	Sub-Saharan Africa
VMC	Vertical Machining Center
WPI	Wholesale Price Index

### **Conventional terms and Abbreviations**

Abbreviation	Full Form
Rs./ Rupees/ INR/ ₹	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt.	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering

<b>Abbreviation</b>	<b>Full Form</b>
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder.
CA	Chartered Accountant
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions

<b>Abbreviation</b>	<b>Full Form</b>
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
FV	Face Value
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Gol/Government	Government of India
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IFRS	International Financial Reporting Standards
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
KMP	Key Managerial Personnel
LLB	Bachelor of Law
BRLM	Book Running Lead Manager
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding



<b>Abbreviation</b>	<b>Full Form</b>
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Net worth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development

<b>Abbreviation</b>	<b>Full Form</b>
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF/ Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	Represent Outflow

The words and expressions used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Special Tax Benefits*”, “*Industry Overview*”, “*Regulations and Policies in India*”, “*Financial Information of the Company*”, “*Outstanding Litigations and Material Developments*” and “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

### **Certain Conventions**

All references in the Red Herring Prospectus to “India” are to the Republic of India. All references in the Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

### **Use of Financial Data**

Unless stated otherwise, throughout this Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Red Herring Prospectus is derived from our restated financial information prepared for the nine months period ended on December 31, 2023 and financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 151 of this Red Herring Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 151 of this Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

For additional definitions used in this Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 274 of the Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “*Basis for Issue Price*” on page 83 of the Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

### **Currency of Financial Presentation**

All references to “Rupees” or “INR” or “₹” or “₨” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “*Industry Overview*” throughout the Red Herring Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” on page 24, 104 and 200 respectively of this Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Red Herring Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## FORWARD LOOKING STATEMENTS

This Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in consumer demand;
3. Failure to successfully upgrade our product portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key managements persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. general economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company’s ability to successfully implement its growth strategy and expansion plans;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of Environmental Problems & Uninsured Losses;
16. conflicts of interest with affiliated companies, the promoter group and other related parties;
17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoter;
19. The performance of the financial markets in India and globally;
20. Global distress due to pandemic, war or by any other reason.

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 24, 104 and 200 respectively of the Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company or our Directors or our Officers or Book Running Lead Manager or Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## SECTION II – SUMMARY OF RED HERRING PROSPECTUS

### A. OVERVIEW OF BUSINESS

Incorporated in 2011, we design and manufacture CNC, NC and conventional metal forming machines which caters to the industrial sector requirement for metal fabrication solutions. Our wide spectrum of metal forming machines includes press brake machines, shearing machines, plate rolling machines, iron workers machines, hydraulic presses and busbar bending, cutting & punching machine. Through our array of products, we provide manufacturers with vital precision machines which are required for metal cutting and forming operations. Our machines are utilized across a wide gamut of industries such as automotive, steel, pre-engineered building, furniture, HVAC, agricultural equipments, road construction equipments, elevators, food processing machinery, metalworking workshops and many others.

### B. OVERVIEW OF THE INDUSTRY

India's Capital Goods manufacturing industry serves as a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer goods, amongst others. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. Capital Goods sector contributes to 12% of India's manufacturing output and 1.8% to GDP. Market valuation of the capital goods industry was US\$ 43.2 billion in FY22. Indian Electrical equipment is the largest sub-sector followed by Plant equipment & Earth moving/ mining machinery. The electrical equipment market share in India is expected to increase by US\$ 33.74 billion from 2021 to 2025, and the market's growth momentum will accelerate at a CAGR of 9%. Investment in engineering R&D sector is expected to reach US\$ 63 billion by 2025. The Index of Industrial Production (IIP), in absolute terms, increased to 146.5 in January 2023 from 145.3 in December 2022.

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

### C. PROMOTERS

Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal, Snehal Narendra Mehta and Sumitraben Mehta are the Promoters of our Company.

### D. DETAILS OF THE ISSUE

This is an Initial Public Issue of upto 29,82,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs ("The Issue"), out of which 1,50,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs will be reserved for subscription by the market maker to the issue (the "Market Maker Reservation Portion"). The Issue less Market Maker Reservation Portion i.e., Issue of 28,32,000 Equity Shares of face value of ₹ 10 each, at an issue price of ₹ [●] per Equity Share for cash, aggregating to ₹ [●] lakhs is hereinafter referred to as the "Net Issue". The Public Issue and Net Issue will constitute 26.33% and 25.00% respectively of the post- issue paid-up Equity Share capital of our Company.

### E. OBJECTS OF THE ISSUE

Our Company intends to utilize the Proceeds of the Issue to meet the following objects:

Sr. No.	Particulars	Amount (₹ in lakhs)
1.	Funding of capital expenditure towards civil construction work at existing manufacturing unit located at Sanand, District Ahmedabad, Gujarat	686.40
2.	Funding of capital expenditure towards installation of new plant & machineries	742.93
3.	To meet working capital requirements	1500.00
4.	General Corporate Purpose	[●]
	<b>Total</b>	<b>[●]</b>

### F. PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 83,44,500 Equity shares of our Company aggregating to 100% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Red Herring Prospectus:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters (A)</b>				
1.	Satishkumar Kanjibhai Parmar	16,43,900	19.70	16,43,900	[●]
2.	Dineshkumar Shankarlal Chaudhary	16,68,900	20.00	16,68,900	[●]
3.	Sanjay Shantukumar Khankar	16,68,900	20.00	16,68,900	[●]
4.	Ashokkumar Ramjibhai Panchal	16,68,900	20.00	16,68,900	[●]
5.	Snehal Narendra Mehta	16,12,400	19.32	16,12,400	[●]
6.	Sumitaben Mehta	56,500	0.68	56,500	[●]
	<b>Sub Total (A)</b>	<b>83,19,000</b>	<b>99.70</b>	<b>83,19,000</b>	<b>[●]</b>
	<b>Promoter Group (B)</b>				
7.	Amisha Satishkumar Parmar	25,000	0.30	25,000	[●]
	<b>Sub Total (B)</b>	<b>25,000</b>	<b>0.30</b>	<b>25,000</b>	<b>[●]</b>
	<b>Total (A) + (B)</b>	<b>83,44,500</b>	<b>100.00</b>	<b>83,44,500</b>	<b>[●]</b>

## G. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 and nine months period ended December 31, 2023:

Particulars	(₹ in lakhs)			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	834.45	278.15	278.15	278.15
Total Equity	3,027.82	2,353.02	1,563.01	1,226.84
Total Income	8,399.76	10,066.12	7,906.57	4,834.07
Profit after tax	674.80	790.01	336.17	95.33
Earnings per Share <i>(based on weighted average number of shares)</i>	8.09	9.47	4.03	1.14
Net Asset Value per Share <i>(based on weighted average number of shares)</i>	36.29	28.20	18.73	14.70
Total Borrowings	2333.05	2187.82	2457.23	2228.59

## H. AUDITOR QUALIFICATIONS NOT GIVEN EFFECT IN THE RESTATED FINANCIAL STATEMENTS

There are no audit qualifications which have not been given effect in the restated financial information.

## I. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company, Promoters and Directors are involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Red Herring Prospectus are as follows:

### Litigations involving the Company:

Nature of Cases	(₹ in lakhs)	
	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal proceedings filed by the Company	-	-
<b>Tax proceedings:</b>		
Direct Tax	5	53.48
Indirect Tax	1	27.73
Other pending material litigation filed by the company	1	97.78
<b>Total</b>	<b>7</b>	<b>178.99</b>

### Litigations involving our Promoter & Directors:

(₹ in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Tax proceedings:		
<b>Direct Tax</b>	2	5.06
<b>Indirect Tax</b>	Nil	Nil
<b>Total</b>	<b>2</b>	<b>5.06</b>

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus. For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 211 of this Red Herring Prospectus.

## J. RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled “**Risk Factors**” beginning on page 24 of this Red Herring Prospectus.

## K. SUMMARY OF CONTINGENT LIABILITIES

Following is the summary of the Contingent Liabilities and Commitments of the Company:

(Rs. In lacs)

Particulars	For the period ended 31 December, 2023	For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Cases pending before Commissioner Income Tax (Appeals)	-	40.52	-	-
Cases pending before ITAT*	40.52	-	-	-

\*In respect of the appeal filed before Commissioner Income Tax (Appeals), the same was partially allowed in favour of the company vide order dated 04/01/2024. However, the company has filed an appeal before ITAT, Ahmedabad against the CIT (Appeal) Order for the matter not allowed in CIT (Appeals).

For further details, please refer to Note-V Contingent Liabilities of the chapter titled “**Financial Information of the Company**” on page 151 of this Red Herring Prospectus.

## L. SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the nine months period ended on December 31, 2023 and financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021:

### A. RELATED PARTY DISCLOSURE

#### 1) List of related party and related party relationship

Sr. No	Name of Related Parties	Relationship
1	EM Press Form Solutions Private Limited	Wholly Owned Subsidiary
2	Ashokkumar Ramjibhai Panchal	Director
3	Dineshkumar Shankarlal Chaudhary	Director
4	Sanjay Shantukumar Khankar	Director
5	Satishkumar Kanjibhai Parmar	Director
6	Snehal Narendra Mehta	Director
7	Amishaben Parmar	Relative of Director
8	Jayshree Ben Panchal	Relative of Director
9	Jignaben Chaudhary	Relative of Director
10	Sumitraben Mehta	Relative of Director

#### 2) Related party transactions

(Rs in lacs.)

Sr. No	Name of Related Party	Nature Of Transaction	Apr-Dec 2023	FY 2022-23	FY 2021-22	FY 2020-21
			Consolidated	Standalone	Standalone	Standalone
1	Amishaben Parmar	Remuneration / Salary	4.50	6.00	4.20	4.03
2		Remuneration / Salary	63.00	36.00	36.00	17.25



	Ashokkumar Rambhai Panchal	Unsecured Loan given	0.00	4.50	38.03	15.78
		Unsecured Loan Recovered	10.00	4.00	37.96	15.92
3	Dineshkumar Shankarial Chaudhary	Unsecured Loan given	63.00	146.00	120.78	24.75
		Unsecured Loan Recovered	65.46	200.77	52.84	25.35
		Remuneration / Salary	54.36	36.00	36.00	17.25
4	Jayshree Ben Panchal	Remuneration / Salary	4.50	6.00	4.20	4.03
5	Jignaben Chaudhary	Remuneration / Salary	4.50	6.00	4.20	4.03
6	Sanjay Shantukumar Khankar	Remuneration / Salary	35.00	36.00	36.00	17.25
		Unsecured Loan given	15.74	19.50	8.00	26.06
		Unsecured Loan Recovered	15.29	19.26	24.34	10.57
7	Satishkumar Kanjibhai Parmar	Factory Rent	4.50	6.00	1.50	0.40
		Remuneration / Salary	63.00	36.00	36.00	17.25
		Unsecured Loan given	33.64	168.40	234.15	37.98
		Unsecured Loan Recovered	79.08	161.59	230.73	45.11
8	Snehal Narendra Mehta	Remuneration / Salary	63.00	36.00	36.00	17.25
		Unsecured Loan given	11.57	18.00	12.00	55.03
		Unsecured Loan Recovered	12.45	17.72	11.55	58.78
9	Sumitraben Menta	Remuneration / Salary	3.00	6.00	4.20	4.03

**2) Related party balance at the end of the year**

**(Rs. In lacs)**

Sr. No	Name of Related Party	Nature Of Transaction	Apr-Dec 2023	FY 2022-23	FY 2021-22	FY 2020-21
			Consolidated	Standalone	Standalone	Standalone
1	Amishaben Parmar	Remuneration / Salary	0.72	0.72	0.35	0.35
2	Ashokkumar Rambhai Panchal	Remuneration / Salary	4.83	2.24	2.24	1.20
3		Unsecured Loan	10.00	0.09	0.08	0.40
4	Dineshkumar Shankarial Chaudhary	Unsecured Loan	2.38	14.11	67.94	0.32
5		Remuneration / Salary	4.60	2.01	2.24	1.20
6	Jayshree Ben Panchal	Remuneration / Salary	0.72	0.72	0.35	0.35
7	Jignaben Chaudhary	Remuneration / Salary	0.72	0.72	0.35	0.35
8	Sanjay Shantukumar Khankar	Remuneration / Salary	(0.23)	2.00	2.24	1.20
9		Unsecured Loan	-	0.45	0.20	16.55
10	Satishkumar Kanjibhai Parmar	Factory Rent	2.16	6.00	2.02	0.40
11		Remuneration / Salary	4.44	2.24	2.24	-
12		Unsecured Loan	51.00	3.79	9.74	8.51
13	Snehal Narendra Mehta	Remuneration / Salary	4.53	2.01	2.00	-
14		Unsecured Loan	-	0.05	0.45	1.34
15	Sumitraben Mehta	Remuneration / Salary	(0.01)	0.49	0.35	0.35

For further details, please refer to the Note 30 – Related Party Disclosures of chapter titled “*Financial Information of the Company*” on page 183 of this Red Herring Prospectus.

**M. DETAILS OF FINANCING ARRANGEMENTS**

There are no financing arrangements whereby the promoters, members of the Promoter Group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus.

**N. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR**

Sr. No.	Name of the Promoter	No. of Shares acquired in last one year	Weighted Average Price (in ₹)*
1.	Satishkumar Kanjibhai Parmar	11,12,600	Nil
2.	Dineshkumar Shankarlal Chaudhary	11,12,600	Nil
3.	Sanjay Shanutukumar Khankar	11,12,600	Nil
4.	Ashokkumar Ramjibhai Panchal	11,12,600	Nil
5.	Snehal Narendra Mehta	11,12,600	Nil
6.	Sumitraben Mehta	56,500	Nil

*\*In the last one year, except for Sumitraben Mehta, all our Promoters have been allotted only bonus shares, on account of which acquisition prices is Nil.*

**O. AVERAGE COST OF ACQUISITION OF SHARES**

The average cost of acquisition of Equity Shares by our Promoter is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Satishkumar Kanjibhai Parmar	16,43,900	6.14
2.	Dineshkumar Shankarlal Chaudhary	16,68,900	6.05
3.	Sanjay Shantukumar Khankar	16,68,900	6.05
4.	Ashokkumar Ramjibhai Panchal	16,68,900	6.05
5.	Snehal Narendra Mehta	16,12,400	6.26
6.	Sumitraben Mehta	56,500	0.00

**P. PRE-IPO PLACEMENT**

Our Company is not considering any Pre-IPO placement of equity shares of the Company.

**Q. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH**

Our Company has not issued Equity Shares for consideration other than cash in the last one year.

**R. SPLIT/ CONSOLIDATION OF EQUITY SHARES**

Our company has not undergone any split, consolidation, or subdivision of equity shares since its incorporation, except for the subdivision of the face value of Equity Shares from 1000.00 per share to 10.00 per share, pursuant to a Shareholders' resolution dated June 15, 2023

**S. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

As on date of the Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

### **SECTION III: RISK FACTORS**

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Red Herring Prospectus, particularly the **“Financial Information of the Company”** and the related notes, **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** on page 151, 104 and 200 respectively of this Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

#### **Materiality**

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

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

#### **Note:**

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in **“Risk Factors”** on page 24 and **“Management Discussion and Analysis of Financial Condition and Results of Operations”** on page 200 of this Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the **“Restated Financial Statements”**.

#### **INTERNAL RISK FACTORS**

1. **We derived a significant portion of our revenue from the sale of our key product i.e. CNC press brake machines. Any decline in the sales of our key product could have an adverse effect on our business, results of operations and financial condition.**

We generate a significant portion of our revenue from our key product i.e. CNC press brake machines which contributed to 67.74% of our total revenue in Fiscal 2023 amounting to ₹ 6707.43 lakhs and 65.86% of our total revenue for the nine months period ending December 31, 2023 amounting to ₹ 5452.21 lakhs. Any decline in the sales of CNC press brake machines on account of any reason including increased competition, pricing pressures or fluctuations in the demand for or supply of such products may adversely affect our business, results of operations and financial condition. We cannot assure you that we will be able to maintain the same levels of sales for press brake machines in the future. Any inability on our

end to anticipate and adapt to technological changes or evolving consumer preferences and/or any decrease in the demand for our key product may adversely impact our business prospects and financial performance.

The following table sets forth information on our product mix in terms of revenue contribution in the periods indicated:

(Rs. in lakhs)

Category	Apr-Dec'23	%*	F.Y. 2022-23	%*	F.Y. 2021-22	%*	F.Y. 2020-21	%*
<b>Press Brake Machine</b>								
Hydraulic CNC Press Brake Machine	5452.21	65.86%	6707.43	67.74%	4268.19	54.70%	2279.36	48.06%
Hydraulic NC Press Brake Machine	383.28	4.63%	529.03	5.34%	498	6.38%	354.53	7.48%
Hydraulic Press Brake Machine	383.69	4.63%	529.73	5.35%	562.34	7.21%	320.51	6.76%
Others	-	-	-	-	88.6	1.14%	-	
<b>Total</b>	<b>6219.18</b>	<b>75.12%</b>	<b>7766.2</b>	<b>78.43%</b>	<b>5417.13</b>	<b>69.42%</b>	<b>2954.4</b>	<b>62.30%</b>
<b>Shearing Machine</b>								
Hydraulic Shearing Machine	592.41	7.16%	777.77	7.86%	848.52	10.87%	722.39	15.23%
Hydraulic NC Shearing Machine	682.78	8.25%	491.4	4.96%	707.22	9.06%	415.5	8.76%
<b>Total</b>	<b>1275.18</b>	<b>15.40%</b>	<b>1269.17</b>	<b>12.82%</b>	<b>1555.74</b>	<b>19.94%</b>	<b>1137.89</b>	<b>23.99%</b>
<b>Plate Rolling Machine</b>								
Hydraulic plate rolling Machine	116.90	1.41%	220.69	2.23%	92.80	1.19%	146.24	3.08%
<b>Total</b>	<b>116.90</b>	<b>1.41%</b>	<b>220.69</b>	<b>2.23%</b>	<b>92.80</b>	<b>1.19%</b>	<b>146.24</b>	<b>3.08%</b>
<b>Busbar Machine</b>								
Hydraulic busbar Machine	31.35	0.38%	49.37	0.50%	115.14	1.48%	82.93	1.75%
<b>Total</b>	<b>31.35</b>	<b>0.38%</b>	<b>49.37</b>	<b>0.50%</b>	<b>115.14</b>	<b>1.48%</b>	<b>82.93</b>	<b>1.75%</b>
<b>Press Machine</b>								
Hydraulic press Machine	108.32	1.31%	58.76	0.59%	218.08	2.79%	131.66	2.78%
<b>Total</b>	<b>108.32</b>	<b>1.31%</b>	<b>58.76</b>	<b>0.59%</b>	<b>218.08</b>	<b>2.79%</b>	<b>131.66</b>	<b>2.78%</b>
<b>Iron Worker Machine</b>								
Hydraulic Iron Worker (Sigma) Machine	57.08	0.69%	63.58	0.64%	68.09	0.87%	83.1	1.75%
<b>Total</b>	<b>57.08</b>	<b>0.69%</b>	<b>63.58</b>	<b>0.64%</b>	<b>68.09</b>	<b>0.87%</b>	<b>83.1</b>	<b>1.75%</b>
<b>Components and spare parts</b>								
Various items	433.14	5.23%	438.56	4.43%	319.08	4.09%	196.71	4.15%
<b>Total</b>	<b>433.14</b>	<b>5.23%</b>	<b>438.56</b>	<b>4.43%</b>	<b>319.08</b>	<b>4.09%</b>	<b>196.71</b>	<b>4.15%</b>
<b>Maintenance Services</b>								
Maintenance Services	37.86	0.46%	35.15	0.35%	17.06	0.22%	9.58	0.20%
<b>Total</b>	<b>37.86</b>	<b>0.46%</b>	<b>35.15</b>	<b>0.35%</b>	<b>17.06</b>	<b>0.22%</b>	<b>9.58</b>	<b>0.20%</b>
<b>Grand Total</b>	<b>8279.01</b>	<b>100.00%</b>	<b>9901.48</b>	<b>100%</b>	<b>7803.12</b>	<b>100%</b>	<b>4742.51</b>	<b>100%</b>

\*percentage is calculated on revenue from operations

2. We do not have firm commitment long-term supply agreements with our customers. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business and results of operations.

We offer over 600 variants of metal forming machines to customers engaged in various sectors such as metal fabrication, pre-engineered building, agriculture, kitchen equipments, machinery manufacturing, automotive, food processing, furniture, HVAC, elevators, steel etc. By their very nature, though, metal forming machines are not consumer products and, therefore, we do not, generally, have frequent orders from the customers. During the last 3 Fiscals and the nine months period i.e. Apr.'23 to Dec.'23, our Company has supplied 1657 machines to over 1150 customers. Consequently, our business, results from operations, and financial condition are heavily dependent on our maintaining our relationship with our customers in the Application Industries, and, in particular, continuing to receive orders from such entities and failure to do so, or inability to do so on commercially viable terms could have an adverse impact on our revenue and, or, margins, and, consequently, our profitability. While our business relationships with our customers have been built over time, we do not enter into long term contracts with our customers and, the absence of long-term contracts with our customers exposes us to a significant risk of customer attrition.

Our top ten customers for the nine months period ended Dec.'23, F.Y. 2022-23 and F.Y. 2021-22 accounted for 11.19%, 9.41% and 12.80% of our revenue from operations for the respective period/year. Although, currently we do not significantly rely upon few customers, however, any reliance in future on a limited number of customers, may expose us to various risks, that may include, reductions, delays or cancellation of orders from significant customers, failure to negotiate favorable terms with our key customers or the loss of key customers, all of which would have a material adverse effect on the business, financial condition, results of operations, cash flows and future prospects of our Company.

**3. *Our Company does not have long-term agreements with suppliers for our input materials and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.***

Our business depends on the availability of commercially viable and high-quality input materials in the quantities required by us. The input materials involved in the manufacturing of our products require special properties including dimensional stability, machinability, and workability, corrosion resistance, and impact resistance. The key input materials involved in our manufacturing process include press brake tools, quick release clamp, crowning, controllers, laser safety, MS Steel, tools & dyes, hydraulic components, seals, electrical and control panel components. These key input materials are purchased from the domestic and international markets.

During the 9 months period ended December 31, 2023 and for the last 2 Fiscals 2023 and 2022, our cost of material consumed and (increase)/ decrease in inventories of finished goods and work-in-progress was ₹ 4428.91 lakhs, 5827.39 lakhs and 4,940.98 lakhs, constituting 59.60%, 64.36% and 66.28%, respectively, of our total expenses.

The price and availability of such input materials is subject to, supply side disruptions and is dependent on several factors beyond our control, including overall economic conditions, taxes and duties, the prevailing Indian regulatory environment, foreign exchange rate, production levels and competition. Further, input materials are subject to price volatility and any fluctuation in the price of our input materials may have an adverse impact on our margins.

We do not have any contracts with, or long-term arrangements for sourcing input materials from suppliers of input materials. The absence of long-term contracts makes us susceptible *inter alia* to short-term supply challenges and exposes us to volatility in the prices of input materials. In addition, we are dependent upon few key suppliers for supply of some of our key input materials, with whom we do not have long term contracts or arrangements. During the 9 months period ended December 31, 2023 and for the last 2 Fiscals 2023 and 2022, our purchase from top 10 suppliers were ₹ 3010.64 lakhs, 3867.09 lakhs and 3234.94 lakhs, constituting 53.02%, 54.33% and 59.01%, respectively, of our total purchases.

If our primary suppliers of key input materials curtail or discontinue their delivery of such materials or products to us in the quantities we need, or on commercially acceptable terms, production and delivery schedules could be disrupted, and our business and results of operations could be adversely affected. If we are unable to source input materials on commercially viable terms or if we are unable to pass these costs onto our customers, it could have an adverse impact on our margins, and consequently, profitability.

**4. *We operate in a highly competitive industry and increased competition may lead to a reduction in our revenues, reduced profit margins or a loss of market share.***

We compete with a number of other metal forming machine manufacturers that produce and sell machines similar to ours. Some of our significant competitors in the metal forming machines segment includes Hindustan Hydraulics Pvt. Ltd., Rajesh Machine Tools Pvt. Ltd., HACO Machinery Pvt. Ltd. and Weldor Engineering Pvt. Ltd.

A number of our competitors are larger than we are, and some competitors have greater financial and other resources than we do and other economic advantages as compared to our business. Among other things, our competitors may:

- have presence, or expand their presence, in higher number of geographic markets than we are present in;
- reduce, or offer discounts on, their prices for similar products as ours; while we may respond by matching their prices, by offering comparable or more attractive commercial terms or by increasing our advertising and promotions in order to retain or attract customers, it may increase our costs and limit our ability to maintain our operating margins or growth rate;
- target the same products or applications as us or develop different products that compete with our current solutions;
- attract or retain a key managerial or sales personnel with relationships with a key customer or confidential information regarding our future product pipeline and growth plans;
- be able to source raw materials at more competitive prices;
- harness better process technology or improved process yield and respond more quickly and effectively than we do to new or changing opportunities, applications, technologies, standards, or customer requirements;
- benefit from a wider range of products and services and a broader customer base needed to bring competitive solutions to the market;
- possess greater economies of scale if they are larger than us and operating efficiencies such as higher production capacities; or
- possess greater financial resources than we do, and may be able to devote greater resources to pricing and promotional programs.

If any or a combination of the foregoing factors occur, we may not be able to maintain our growth rate and our revenues and operating margins may decline. We cannot assure you that we will continue to effectively compete with our competitors in the future, and our inability to compete effectively could affect our ability to retain our existing customers or attract new customers, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

**5. *Our business is dependent on the performance of the Application Industries. Any downturn in the Application Industries can adversely impact our business, results of operations, cash flow and financial condition of our Company.***

We design and manufacture CNC, NC and conventional metal forming machines which caters to the industrial sector requirement for metal fabrication solutions. Our wide spectrum of metal forming machines includes press brake machines, shearing machines, plate rolling machines, iron workers machines, hydraulic presses and busbar bending, cutting & punching machine. Through our array of products, we provide manufacturers with vital precision machines which are required for metal cutting and forming operations. Our business is reliant on various Application Industries such as metal fabrication, pre-engineered building, agriculture equipments, kitchen equipments, machinery manufacturing, automotive, food processing, furniture, HVAC, elevators, steel etc. Any downturn or lack of demand for our products in any or all of the Application Industries or macro-economic conditions impacting the Application Industries, could have an adverse impact on our business, results of operations, cash flow and financial condition.

**6. *Our Statutory Auditor have included certain qualifications in their Audit Report (including CARO Report) for financial statements pertaining to F.Y. 2020-21, 2021-22 and 2022-23 and tax audit reports for the same financial years.***

Our Statutory Auditor have included certain qualifications/observations in their CARO Report (part of Audit Report) and Tax Audit reports for financial statements pertaining to F.Y. 2020-21, 2021-22 and 2022-23. Below are the details of the same:

**OBSERVATIONS/QUALIFICATIONS**

**Observation related to professional tax in CARO Report**

**F.Y. 2020-21**

According to the records of the Company, there are no dues of sales tax, income tax, custom duty/wealth tax, VAT, service tax, excise duty/cess which have not been deposited on account of any dispute except professional tax amounting to Rs. 2,06,322/-.

**F.Y. 2021-22**

According to the information and explanations given to us, no undisputed statutory dues including GST, provident fund, ESI, income tax, sales tax, service tax, custom duty, excise duty, VAT, cess and any other statutory dues as at 31st March 2022 for a period of more than six months from the date they became payable except professional tax amounting to Rs. 2,06,322/-.

**F.Y. 2022-23**

According to the information and explanations given to us, no undisputed statutory dues including GST, provident fund, ESI, income tax, sales tax, service tax, custom duty, excise duty, VAT, cess and any other statutory dues as at 31st March 2023 for a period of more than six months from the date they became payable except professional tax amounting to Rs. 3,59,290/-.

#### **Material observations/qualifications in Tax Audit Report**

##### **F.Y. 2021-22**

***Proper stock records are not maintained by the assessee*** - As explained to us, the assessee is a manufacturing concern, manufacturing various types of machines. As numerous type of Raw Material items are involved for production of machines, hence, it is not possible to give quantitative details of raw Material & WIP para 35(b)(A) of the report.

***Others*** - We have been informed by the assessee that the information required under clause 44 has not been maintained by it in absence of any disclosure requirement thereof under the goods and service tax statute. It is not possible to determine break-up of total expenditure of entities registered or not registered under the GST, as necessary information is not maintained by the assessee in its books of accounts. Further, the standard accounting software used by assessee is not configured to generate any report in respect of such historical data in absence of any prevailing statutory requirement regarding the requisite information in this clause.

##### **F.Y. 2022-23**

***Proper stock records are not maintained by the assessee*** - As explained to us, the assessee is a manufacturing concern, manufacturing various types of machines. As numerous type of Raw Material items are involved for production of machines, hence, it is not possible to give quantitative details of raw Material & WIP para 35(b)(A) of the report.

***Others*** - Records produced for verification of information as required under clause 44 of Form 3CD w.r.t payments made to entities registered or not registered under the Goods and Service Act 2017, were not sufficient. In the absence of any disclosure requirement thereof under the Goods and Service Tax Statute, proper record so as to work out the information required under this clause have not been maintained by the Assessee. Hence, it is not possible for us to comment upon the trueness and correctness of the information as provided by the Assessee.

#### **Steps taken by company to rectify observations/qualifications:**

**Maintenance of stock records** – The Company is in process of implementing ERP system, post which they will be able to maintain and provide the quantitative details of raw Material & WIP to the Statutory Auditors.

**Maintenance of records as per clause 44 of Form 3CD** – The Company through a confirmation dated February 27, 2024 has confirmed to maintain records as required under clause 44 of Form 3CD w.r.t payments made to entities registered or not registered under the Goods and Service Act 2017.

As confirmed by the Statutory Auditors through their certificate dated February 26, 2024, the aforementioned qualifications do not have any impact on the financials of the company.

#### **7. *Failure to innovate our product offerings and adapting to technological advancements and changes may have an adverse effect on our business and results of operations.***

Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge, through technical assistance agreements or otherwise, that will allow us to develop our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

To compete effectively in the metal forming machines industry, we must be able to develop and produce new products to meet our customers' demand in a timely manner. As a result, we may incur capital expenditures to develop products to meet customer demands and those demands may be delayed at the customers end due to delays in product launches. Our

failure to successfully develop and produce new products, or a failure by our customers to successfully launch new product programs, could materially adversely affect our results of operations.

8. *There are outstanding legal proceedings involving our Company, our Directors and our Promoters. Any adverse decisions could impact our cashflows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.*

There are outstanding legal proceedings involving our Company, our Directors and our Promoters. For details, see “*Outstanding Litigation and Material Developments*” beginning on page 211 of this Red Herring Prospectus.

**Litigations involving the Company:**

(₹ in lakhs)		
Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal proceedings filed by the Company	-	-
<b>Tax proceedings:</b>		
Direct Tax	5	53.48
Indirect Tax	1	27.73
<b>Other pending material litigation filed by the company</b>	1	97.78
<b>Total</b>	<b>7</b>	<b>178.99</b>

**Litigations involving our Promoter & Directors:**

(₹ in lakhs)		
Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Tax proceedings:		
<b>Direct Tax</b>	2	5.06
<b>Indirect Tax</b>	Nil	Nil
<b>Total</b>	<b>2</b>	<b>5.06</b>

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus. For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 211 of this Red Herring Prospectus.

9. *We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.*

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Except as described below and as mentioned in the chapter titled “*Government and Other Approvals*”, we believe that we have obtained requisite permits and licenses which are adequate to run our business, however we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

The approvals required by our Company are subject to numerous conditions and there can be no assurance that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

10. *We are subject to strict quality requirements and any failure to comply with quality standards may lead to cancellation of existing and future orders, product recalls, product liability, warranty claims and other disputes and claims.*



All our products and manufacturing processes are subject to stringent quality standards and specifications. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of orders and even lead to loss of customers. Our customers may reject our products, cancel their orders or choose our competitors over us if we fail to perform our contractual obligations or meet the quality or performance standards set out with our customers, which may in-turn harm our reputation. Failure by us to comply with applicable quality standards could also result in our products failing to perform as expected, or alleged to result in property damage if our products are defective or are used incorrectly by our customers (or by their customers or end-users). The occurrence of any such events could expose us to product warranty, product recall or product liability claims.

We may also be required to indemnify customers against losses occurring as a result of defective products and reimburse our customers for administrative, labour, material and other such costs. We may also become subject to legal proceedings and commercial or contractual disputes. Potential product recalls could cause disruption to our business and result in reputational harm and the costs and expenses associated with warranties, product recalls and product liability claims could adversely affect our results of operations and financial condition. If we incur significant liabilities for which there is no or insufficient insurance coverage our business, financial condition and results of operations could be adversely affected.

**11. *We are exposed to foreign currency fluctuation risks, particularly in relation to import of raw materials and export of products, which may adversely affect our results of operations, financial condition and cash flows.***

Our manufacturing operations require a number of input materials, illustratively, press brake tools, quick release clamp, crowning, controllers and laser safety which are sourced / procured either partly, or entirely, from international suppliers. We mainly import press brake tools, quick release clamp and crowning from China and controllers and laser safety from Netherland. These input materials are indispensable in manufacturing some of our products and are integral to our manufacturing process. During the 9 months period ended December 31, 2023 and for the last 2 Fiscals 2023 and 2022, our purchase from international suppliers were ₹ 680.81 lakhs, 1020.36 lakhs and 698.92 lakhs, constituting 11.99%, 14.33% and 12.75%, respectively, of our total purchases. In addition, for the nine months period ended Dec.'23, our revenue from sale of products and services were Rs. 82.79 crores of which approximately 93.15% of the revenue were from domestic markets and 6.85% from international markets which included USA, UAE, Saudi Arabia, Oman and Nepal. Thus, our global operations exposes us to foreign exchange rate risks, arising primarily from our receivables, payables, export and import of goods. Change in the value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The Exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Depreciation of the Indian Rupee against the USD may adversely affect our results of operations by increasing the cost of the raw materials we import or any proposed capital expenditure in foreign currencies. There can be no guarantee that such fluctuations will not affect our financial performance in the future as we continue to expand our operations globally. In addition, we are subject to the risks associated with carrying out business operations on an international scale, including the following, the occurrence of any of which may adversely affect our business, results of operations, financial condition, cash flows and future prospects:

- Import and export regulations that could among others erode profit margins or restrict imports or exports, changes in foreign exchange controls and tax rates, foreign currency exchange rate fluctuations, including devaluations.
- Changes in regional and local economic conditions, including local inflationary pressures, economic cycle and demand for products in the international markets;
- Changes in laws and regulations, unsettled political conditions and possible terrorist attacks against countries where we sell our products or have other interests;

In the event that we are unable to anticipate and effectively manage these and other risks, it could have a material and adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

**12. *Our inability to accurately forecast demand for our products, and accordingly manage our inventory, may have an adverse effect on our business, cash flows, financial condition and results of operations.***

Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, cash flows, financial condition and results of operations. We do not have firm commitment long term supply agreements with our customers and instead rely on short term purchase orders to govern the volume and other terms of the sales of products. Accordingly, we plan our production volumes based on our forecast of the demand for our products. Any error in forecasting could result in surplus stock which would have an adverse effect on our profitability.

We maintain a high level of inventory of raw materials, work in progress and finished goods. As on December 31, 2023, our inventory of raw materials, stores & spares, finished goods and other items amounted to ₹ 6213.46 lakhs. Our high

level of inventory increases the risk of loss and storage costs to us as well as increasing the need for working capital to operate our business. Further, as our customers are not obliged to purchase our products or provide us with a binding long-term commitment, there can be no assurance that customer demand will match our production levels.

On the other hand, in the event that the demand we have forecasted is lower than the actual demand of our products, and we are unable to ramp up production to match such demand, we may be unable to supply the requisite quantity of products to our customers in a timely manner. Any increase in our turn-around time could affect our production schedules and disrupt our supply, which could have an adverse effect on our business, cash flows, financial condition and results of operations.

**13. We rely on outsourcing a certain proportion of our production processes and activities to third-parties, without exclusivity arrangements. Any inability to obtain sufficient quantities of processed material of the requisite quality in a timely manner and at acceptable prices, or a slowdown, shutdown or disruption in such third parties' operations and performance, could adversely affect our business, results of operations and financial condition.**

Currently, we outsource certain proportion of our production process relating to zinc plating, powder coating, cylindrical grinding, hard chrome plating, hardening, honing etc. to third parties job workers. During the 9 months period ended December 31, 2023 and for the last 2 Fiscals 2023 and 2022, our job work expenses were ₹ 462.42 lakhs, 547.20 lakhs and 473.85 lakhs, constituting 6.22%, 6.04% and 6.36%, respectively, of our total expenses. We rely on these third parties to provide us with an uninterrupted supply of their services. However, we cannot assure you that they may do so in a timely manner, or if at all. These third parties may decide not to accept our future orders on the same or similar terms, or at all. We may face the risk of our competitors offering them better terms, which may cause them to cater to our competitors alongside, or even instead of us. They may discontinue their work on short notice and our production process may be stalled or hindered due to this. Conversely, due to increased customer demand for our products, we may need to obtain these services more from third parties, and any inability to do so may render us unable to execute our growth strategy.

Additionally, our job workers processing facilities may be subject to operating risks, such as performance below expected levels of efficiency, excessive wastage of raw materials, delays in production, decrease in quality of products made, labor disputes, natural disasters, industrial accidents, interruptions in power supply and statutory and regulatory restrictions. Any non-compliance by our jobbers with the applicable laws which may result in a shutdown of their facilities, could result in the delay or non-availability of the delivery of our products. In addition, we cannot ensure that the processes done by them on products will be of satisfactory quality. Any failure to adhere with quality may damage our reputation, and adversely affect our business, results of operations and financial condition. Any defects in the products they supply could expose us to product liability or damage our reputation and reduce demand for our products. If our jobbers perform unsatisfactorily, substantially reduce their volume of supply, substantially increase their prices or terminate their business relationship with us, the cost and time required to manufacture our products would increase. We may also need to replace jobbers or take other remedial actions. Any deficiency in the quality of products that our jobbers supply to us may adversely affect our business, financial condition and results of operations.

**14. Under-utilization of our manufacturing capacities and an inability to effectively utilize our existing manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.**

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facilities as well as on the market demand of the products sold by us. Among others, the capacity utilization also depends upon the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. During the nine months period ended December 2023 and in Fiscals 2023, 2022 and 2021, our overall capacity utilization is detailed below:

Particulars	2020-21	2021-22	2022-23	Apr.'Dec'23	Existing Installed Capacity (p.a.)
Installed Capacity (in Mt)	900	900	900	675	900
Actual Production (in Mt)	310	471	490	414	
Capacity Utilization (in %)	34.44%	52.33%	54.44%	61.33%	

*As certified by Bhaskar G. Bhatt, Chartered Engineer, through certificate dated April 27, 2024*

In the event we are unable to achieve considerable capacity utilization of our current manufacturing facility, it would result in operational inefficiencies which could have a material adverse effect on our business, results, financial condition and future prospects. Under-utilization of our manufacturing capabilities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

**15. Our continued operations at our manufacturing facility are critical to our business and any disruption, breakdown or failure of machinery, disruption to power sources or any temporary shutdown of our manufacturing facility, may have a material adverse effect on our business, results of operations, financial condition and cash flows.**

We carry all our manufacturing operations from our factory unit located at Sanand (District – Ahmedabad), Gujarat. Our manufacturing facility is subject to operating risks, such as breakdown or failure of equipment, disruption in power supply or processes, severe weather conditions, performance below expected levels of efficiency, obsolescence, labor disputes, natural disasters, industrial accidents, infectious diseases (such as COVID-19 pandemic), political instability, the need to comply with the directives of relevant government authorities and the requirement to obtain certain material approvals to operate our manufacturing facilities. We also require substantial electricity for our manufacturing facilities which is sourced from state electricity board. In case, the supply is not available for any reason, our production schedule may be hampered or if our electricity suppliers increase the price for electricity, our cost of production and profitability would be materially adversely affected. Further, natural disasters or adverse conditions may occur in the geographical areas in which we operate including severe weather, tropical storms, floods, excessive rainfalls as well as other events beyond our control. If for any reason electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. Our manufacturing capacities are dependent on the efficient utilisation of our plant and machinery. Any significant malfunction or breakdown of our machinery may entail repair and maintenance costs and cause delays in our operations. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to carry out the necessary repair of the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our results of operations and financial condition.

Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted and timely supply of our products is critical to our business. While we seek to ensure a continuous supply of our products to our customers, our customer relationships, business and financial results may be adversely affected by any disruption of operations of our product lines due to any of the factors mentioned above.

**16. Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.**

We manufacture metal forming machines from our manufacturing unit located at Sanand (District – Ahmedabad), Gujarat. Due to the geographical concentration of our manufacturing operations in Gujarat, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations.

In addition, we generate major domestic sales through our customers situated in Gujarat and Maharashtra. In Fiscal 2023, the largest share of our revenue, accounting for 27.32%, originated from Gujarat, followed by Maharashtra at 17.35%. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions, which may adversely affect our business prospects, financial conditions and results of operations.

Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local customers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**17. Our Company is in use of trademark, which is not registered under the Trademarks Act, 1999 as on date of Red Herring Prospectus. Thus, we may be subject to claims alleging breach of third party intellectual property rights.**

Our Company has applied for registration of trademark  under class 7 and 35 with the Registrar of Trademarks. Also,



our Company has applied for registration of logo under the Copyright Act, 1957. Thus, as such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the said trademark and the logo in future or that, third parties who have filed objection will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details on above and other trademarks, please refer to chapter titled “Our Business” beginning on page 104 of this Red Herring Prospectus.

**18. *Our proposed expansion plans relating to our manufacturing facility are subject to the risk of unanticipated delays in implementation and cost overruns.***

We intend to use a part of the Net Proceeds towards funding of capital expenditure towards civil construction work at existing manufacturing unit located at Sanand, District Ahmedabad, Gujarat and towards installation of new plant & machineries. For further information, refer “*Objects of the Issue*” on page 74 of this RHP. Our expansion plans remain subject to the potential problems and uncertainties including cost overruns or delays. Problems that could adversely affect our expansion plans include increased costs of equipment, inadequate performance of the equipment and machinery to be installed at our manufacturing facility, delays in completion, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre- operating expenses, taxes and duties, interest and finance charges, working capital margin and other external factors which may not be within the control of our management. There can be no assurance that the proposed expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

**19. *We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure machinery.***

We intend to use a part of the Net Proceeds towards purchase of certain machineries for expansion at our manufacturing facility at Sanand (District – Ahmedabad), Gujarat and to meet capital expenditure towards civil construction work at existing manufacturing unit. While we have obtained quotations from different vendors in relation to the aforesaid objects, we are yet to place orders for the same. Accordingly, orders worth ₹ 1429.33 lakhs, which constitute 100% of the total estimated costs in relation to expansion activities at Sanand (District – Ahmedabad), Gujarat are yet to be placed. There can be no assurance that we will be able to place orders for such machinery and equipment in a timely manner or at all. Further, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

**20. *Our Company has unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans may adversely affect our cash flows.***

Our Company has availed unsecured loans which may be recalled by lenders at any time with or without the existence of an event of default, on short or no notice. As of December 31, 2023, such loans amounted to ₹ 63.38 lakhs. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled “Statement of Financial Indebtedness” on page 168 of this Red Herring Prospectus.

**21. *We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.***

Our success heavily depends upon the continued services of our Promoters and Key managerial personnel, particularly Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary and Ashokkumar Ramjibhai Panchal who are actively

involved in the day-to-day management of our Company. The loss of any of our Promoter or Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section **“Our Management”** on page 130 of this Red Herring Prospectus.

**22. Trade receivables form a major part of our current assets and net worth. Failure to manage our trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.**

Our Company’s business is working capital intensive and hence, trade receivables form a major part of our current assets. As on December 31, 2023, our trade receivables amounted to Rs. 660.24 lakhs. We cannot assure that our Company will be able to effectively manage its trade receivables in future. Any such failure in management of trade receivables could result into bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in case of increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due.

**23. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and certain non-compliances of provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate or any other law could impact the financial position of the Company to that extent.**

There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which inter-alia includes:

<b>Sr. No.</b>	<b>Instances of inaccuracies that have occurred</b>	<b>Date or Year of such inaccuracies</b>	<b>Steps taken to rectify such inaccuracies</b>
1.	Clerical errors in the Annual Returns and other forms filed by our Company with the ROC in past years, for instance, the details of transfer of 5 shares have not been shown in Annual return of F.Y. 2012-13	2012-13	The Company through its letter dated March 13, 2024 has acknowledged the inaccuracies and non-compliances and has ensured that the same will not be repeated in future
2.	Company has received advances from customers for a period above 365 days, which is a non-compliance of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.	As on August 31, 2023, there were 10 customers amounting to Rs. 60.10 lakhs, wherein the advance has been taken in excess of 365 days.	All such advances have been cleared off by the Company.

Further, the share transfer deed in respect to transfer of shares of our Company in the year 2012-13 is not traceable. Accordingly, we have relied on the other corporate records maintained by the Company such as minutes, statutory registers and the forms filed with RoC to ascertain the information for the missing corporate records. In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our business, financial conditions and result of operations.

**24. We have in the past entered into related party transactions and may continue to do so in the future.**

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members/entities. These transactions, inter-alia includes, remuneration, loans and advances, rent payments etc. For details, please refer to Note 30 – Related Party Transactions” under Section titled “Financial Information of the Company” and Chapter titled “Capital Structure” beginning on page 176 and 60 respectively of this Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. All related party transactions entered in the last three fiscals and stub period Apr.’23 to Dec.’23 is on arm’s length basis and is in compliance with the provisions of Companies Act, 2013 and other applicable laws. It is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial

condition, cash flows, results of operations and prospects.

**25. *If we are not able to successfully manage our growth, our business and results of operations may be adversely affected.***

Continued growth of our business and customer base requires us to expand our product portfolio, strengthen our product quality, expand and enhance our sales channels, better manage our supply chain, upgrade our information systems and technologies and devote other resources to our business expansions, among others. As we continue to grow, managing our business will become more complicated as we develop a wider product mix, some of which we may have less experience in. In addition, as we increase our product offerings, we will need to work with a larger number of clientele s and maintain and expand mutually beneficial relationships with our existing and new clientele. Our inability to manage the expansion of our products range, customer base and manufacturing capacities, and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition.

We cannot assure you that we will be able to effectively manage our growth, that our current personnel, infrastructure, systems, procedures and controls or any measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. Our failure to manage our anticipated growth effectively could reduce our ability to execute our business strategies, recruit and retain personnel, innovate, and manage costs all of which could adversely affect our business, results of operations, cash flows and financial condition. In addition, the availability of funds plays a crucial role for growth and expansion of the business. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity linked instruments, the interests of our shareholders may be diluted. Further, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected.

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

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed updated technology, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the metal forming machines or other products, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

**27. *Adverse publicity regarding our products could negatively impact us.***

Adverse publicity regarding any of our products or similar products marketed or sold by others could negatively affect us. If any studies raise or substantiate concerns regarding the efficacy or safety of our products or other concerns, our reputation could be harmed and demand for our products could diminish, which could have a material adverse effect on growth in new customers and sales of our product, leading to a decline in revenues, cash collections, and ultimately our ability to meet operating cash flow requirements.

**28. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue price.***

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as may be decided by the Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters "*Risk Factors - Prominent Notes*" and "*Capital Structure*" beginning on pages 24 and 61 respectively of this RHP.

**29. *We do not own the Administration office of our Company. In case of non-renewal of rent agreement or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.***

As on date of this RHP, we do not own the Administration office of our Company, which is obtained by us on rental basis from our Promoter and Director, Satishkumar Kanjibhai Parmar. In the event of termination/non-renewal of said agreement, we may be required to vacate the said Administration office which may cause disruption in our corporate affairs and business which could lead temporarily impact our business operations until we get suitable alternative premises. For details on the duration of existing rent/lease agreements for our premises, please refer to the section titled ***“Our Business-Properties”*** beginning on page 104 of this Red Herring Prospectus. There can be no assurance that we will, in the future, be able to retain or/and renew the agreements for the existing location on same or similar terms, or will be able to find alternate locations for the registered office on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations which could materially and adversely affect our business, financial condition and results of operations.

***30. Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

We believe that the industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its manufacturing operations. Shortage of skilled / unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past, however there can be no assurance that we will not experience any such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

***31. Our company is entirely dependent on third-party logistics service providers for the transportation of raw materials and finished products.***

We do not maintain an in-house transportation facility and depend on third-party transportation and logistics services at every stage of our business activities, including procurement from suppliers and delivering finished products to customers. While we engage transportation companies as needed, we have not established definitive agreements with any third-party transport service providers.

The transportation solutions available in the markets where we operate are typically fragmented, and the cost incurred for goods transported by third-party carriers often exceeds the contracted transportation fees. Consequently, recovering compensation for damaged, delayed, or lost goods can be challenging. Recent instances, such as transportation vehicles being on strike due to fuel price increases, resulted in delays and potential disruptions in handling and procurement processes, which could have led to possible damage to products in transit. Although no such instances have been noticed as on date but such instances if occur may affect our business operations.

***32. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.***

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, industry care package policy for our factory premises in respect of building, stock & plant & machinery, keyman insurance and vehicle insurance. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as machinery breakdown, goods in transit, product liability insurance and insurance in respect of

assets situated at Administration office. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

**33. *Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.***

Our business requires significant amount of working capital and major portion of our working capital is utilized towards inventories, payment to creditors and to some extent in trade receivables. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials. For further details regarding working capital requirement, please refer to the section **“Objects of the Issue”** on page 74 of this Red Herring Prospectus.

**34. *Our Contingent Liability and Commitments could affect our financial position.***

As on 31st December, 2023, we had Contingent Liability of ₹ 40.52 lakhs in respect of income tax case, which have not been provided in our financial statements and which could affect our financial position. “A demand notice dated April 29, 2023, from the Income Tax department have been issued to the Company determining demand payable of Rs. 40.52 lakhs u/s 143(1) of the Income Tax Act, 1961”. For further details, please refer to the chapter **“Outstanding Litigation and Material Developments”** on page 204 of the Red Herring Prospectus.

**35. *The Promoters (including Promoter Group) and Directors hold almost 100% of the Equity Shares of our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, or loans advanced by them to the Company, and benefits deriving from the directorship in our Company. There can be no assurance that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. For further information, please refer to the chapters/section titled **“Our Business”**, **“Our Promoter and Promoter Group”** and **“Note 30 - Related Party Transactions”**, beginning on pages 104, 144 and 183 respectively of this Red Herring Prospectus.

**36. *We have incurred significant indebtedness which exposes us to various risks which may have an adverse-affect on our business and results of operations***

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on December 31, 2023, our total outstanding indebtedness was ₹ 2333.05 lakhs.

Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see **“Statement of Financial Indebtedness”** on page 196 of this Red Herring Prospectus.



**37. *Loans availed by our Company has been secured on personal guarantees of our Promoters. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Promoters.***

Our Promoters, Satish K. Parmar, Dinesh S. Chaudhary, Ashok R. Panchal, Sanjay S. Khankar and Snehal N. Mehta has provided personal guarantee to secure a significant portion of our existing borrowings taken from the banks and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer "**Statement of Financial Indebtedness**" on page 196 of this Red Herring Prospectus.

**38. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory part/components loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Though we have insurance losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

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

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

**40. *We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

The proposed fund requirement for working capital and capital expenditure, as detailed in the section titled "**Objects of the Issue**" is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled "**Objects of the Issue**" beginning on page 74 of this Red Herring Prospectus.

**41. *We may not be able to sustain effective implementation of our business and growth strategy.***

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse affect on our business, financial condition and results of operations.

**42. *We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, management, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such

financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see *“Statement of Financial Indebtedness”* on page 196 of the Red Herring Prospectus.

**43. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.**

We specialize in the manufacture and supply of metal forming machines which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of law. We are also subject to the labour laws like depositing of contributions with ESI and Provident Fund. In the past, there has been certain instances, particularly relating to the Covid-19 period, wherein there was a delay in filing of ESIC, PF and GST returns by us. Any demand or penalty raised by the concerned authority in future for any previous years or current year will affect the financial position of the Company.

**44. The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.**

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled “Objects of the Issue”. The fund requirement and deployment, as mentioned in the *“Objects of the Issue”* on page 74 of this Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**45. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.**

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Red Herring Prospectus. For further information, see the section titled *“Our Business”* on page 104 of this Red Herring Prospectus.

**46. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section *“Dividend Policy”* on page 150 of the Red Herring Prospectus.

**47. Certain key performance indicators for certain listed industry peers included in this Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete**

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the *“Basis for Issue Price”* beginning on page 83 of the Red Herring Prospectus. Although this information is sourced from and relied upon on the consolidated audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this

information with respect to industry peers is either complete. There maybe different methodologies and formulas used to compute the various ratios.

**48. *There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**49. *Our Promoter and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoter along with the promoter group will continue to hold collectively [●]% of the Equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the affect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**50. *Any future issuance of Equity Shares may dilute your shareholdings, and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future equity issuance by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Offer, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

**51. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Red Herring Prospectus.***

While facts and other statistics in the Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various governmental and organizational web site data that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "**Industry Overview**" beginning on page 91 of this Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**52. *Certain data mentioned in this Red Herring Prospectus has not been independently verified.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**EXTERNAL RISK FACTORS**

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

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. Further, there have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse affect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse affects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "**Government and Other Approvals**" on page 216 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse affect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

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

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse affects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion affect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse affect on our business, operations, financial condition, profitability and price of our Equity Shares.

**56. *Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, man-made disasters, including acts of war, terrorist attacks, environmental issues and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to

our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**57. *Government regulation of foreign ownership of Indian securities may have an adverse affect on the price of the Equity Shares.***

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

**58. *If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

**59. *Our performance is linked to the stability of policies and the political situation in India.***

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse affect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

**60. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time,

or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an Offer of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

***61. The Offer price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer and the market price of our Equity Shares may decline below the Offer price and you may not be able to sell your Equity Shares at or above the Offer Price.***

The Offer price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Offer. For further information please refer the section titled "***Basis for Issue Price***" beginning on page 83 of the Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue</b> (1) (2)	Issue of up to 29,82,000* Equity Shares of ₹ 10 each fully paid-up of our Company.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Makers</b>	Up to 1,50,000 Equity Shares aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	Up to 28,32,000 Equity Shares aggregating to ₹ [●] Lakhs.
<b>Out of which*</b>	
QIB Portion (3)(4)	Not more than 14,15,000 Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of Which</b>	
Anchor Investor	Upto 8,49,000 Equity Shares aggregating up to ₹ [●] lakhs
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to 5,66,000 Equity Shares aggregating up to ₹ [●] lakhs
<b>Of Which</b>	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
Non-Institutional Portion	Not less than 4,25,000 Equity Shares aggregating up to ₹ [●] lakhs
Retail Portion	Not less than 9,92,000 Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	83,44,500 Equity Shares of face value of ₹ 10 each
<b>Equity Shares outstanding after the Issue</b>	Upto 1,13,26,500 Equity Shares of face value ₹ 10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled <b>“Objects of the Issue”</b> on page 74 of this Red Herring Prospectus.

\*Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.

Notes:

- (1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(2) of SEBI (ICDR) Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the Post – Issue paid up equity share capital of our company are being offered to the public for subscription.
- (2) The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on November 10, 2023 and by our Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on November 27, 2023.
- (3) The SEBI (ICDR) Regulations permit the Issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
- (4) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

Our Company, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion

shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Issue Procedure*” beginning on page 243 of this Red Herring Prospectus.



**SUMMARY OF OUR FINANCIALS**

**ANNEXURE - I  
RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In lacs)

	<b>Particulars</b>	<b>Note No.</b>	<b>Consolidated as at 31st December, 2023</b>	<b>Standalone As at 31st March, 2023</b>	<b>Standalone As at 31st March, 2022</b>	<b>Standalone As at 31st March, 2021</b>
<b>A</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>Shareholders' funds</b>					
	(a) Share capital	4	834.45	278.15	278.15	278.15
	(b) Reserves and surplus	5	2193.37	2074.87	1,284.86	948.69
	(c) Money received against share warrants					
<b>2</b>	<b>Non-current liabilities</b>					
	(a) Long-Term Borrowings	6	697.33	923.33	1,332.78	1,280.93
	(b) Long term Provisions	7	91.61	75.85	55.12	52.22
<b>3</b>	<b>Current liabilities</b>					
	(a) Short Term Borrowings	8	1635.72	1,264.49	1,124.45	947.66
	(b) Trade payables:	9				
	(A) total outstanding dues of micro enterprises and small enterprises; and		405.05	144.79	160.52	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2858.19	2,289.77	2,040.56	2,060.86
	(c) Other current liabilities	10	1028.72	1,025.85	982.65	955.81
	(d) Short-term provisions	11	213.68	181.55	123.35	51.39
	<b>TOTAL LIABILITIES</b>		<b>9958.11</b>	<b>8258.64</b>	<b>7,382.45</b>	<b>6,575.72</b>
<b>B</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-current assets</b>					
	(a) Plant, Property & Equipment and Intangible Assets					
	(i) Plant, Property & Equipment	12	2,525.42	2,555.21	2,554.72	2,545.30
	(ii) Intangible Assets	13	10.13	9.07	4.40	7.25
	(iii) Capital work-in-progress		-	-	95.03	-
	(c) Deferred Tax Asset (Net)	14	(19.88)	38.58	(1.24)	6.70
	(b) Long-term Loans and Advances	15	113.12	119.11	123.32	139.97
	(e) Other Non-Current Assets	16	35.76	49.62	48.21	38.54
<b>2</b>	<b>Current assets</b>					
	(a) Current Investments		-	-	-	-
	(a) Inventories	17	6213.46	4,965.65	3,675.16	3,134.23
	(b) Trade receivables	18	660.24	359.18	414.68	322.60
	(c) Cash and cash equivalents	19	3.25	3.63	123.66	96.55
	(d) Short-term loans and advances	20	237.47	124.61	289.09	208.50
	(e) Other Current Assets	21	179.13	33.97	55.43	76.08
	<b>TOTAL ASSETS</b>		<b>9,958.11</b>	<b>8258.64</b>	<b>7,382.45</b>	<b>6,575.72</b>

**ANNEXURE - II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. In lacs)

Particulars		Note No.	Consolidated For the 9 months period ended 31st December, 2023	Standalone For the year ended 31 <sup>st</sup> March, 2023	Standalone For the year ended 31 <sup>st</sup> March, 2022	Standalone For the year ended 31 <sup>st</sup> March, 2021
1	Revenue from operations	22	8,328.48	9,956.34	7,835.27	4,761.27
2	Other Income	23	71.28	109.78	71.31	72.80
3	<b>Total Income (1+2)</b>		<b>8,399.76</b>	<b>10,066.12</b>	<b>7,906.57</b>	<b>4,834.07</b>
4	<b>Expenses</b>					
	Cost of materials consumed	24	5051.89	6,224.62	4,844.17	3,165.87
	Purchases of stock-in-trade		-	-	-	-
	Changes in inventories of finished goods & WIP	25	(622.98)	(396.73)	96.81	(135.10)
	Employee benefits expenses	26	1068.29	924.43	690.90	518.12
	Finance costs	27	225.16	264.23	237.84	251.46
	Depreciation and amortisation expense	12 & 13	148.74	195.22	177.72	173.71
	Other Expense	28	1560.02	1,843.37	1,407.48	761.72
	<b>Total Expenses</b>		<b>7431.12</b>	<b>9,055.14</b>	<b>7,454.92</b>	<b>4,735.78</b>
5	<b>Profit / (Loss) before exceptional and extra-ordinary items and tax (3 - 4)</b>		<b>968.64</b>	<b>1,010.98</b>	<b>451.65</b>	<b>98.29</b>
6	Prior Period Items		-	-	-	-
7	<b>Profit / (Loss) before extra-ordinary items and tax (5-6)</b>		<b>968.64</b>	<b>1,010.98</b>	<b>451.65</b>	<b>98.29</b>
8	Extraordinary items		-	-	-	-
9	<b>Profit Before Tax (7-8)</b>		<b>968.64</b>	<b>1,010.98</b>	<b>451.65</b>	<b>98.29</b>
10	<b>Tax Expense:</b>					
	(a) Current tax expense		235.38	260.79	107.54	22.14
	(b) Deferred tax liability / (asset)		58.46	(39.82)	7.94	(19.18)
11	<b>Profit / (Loss) from continuing operations (9-10)</b>		<b>674.80</b>	<b>790.01</b>	<b>336.17</b>	<b>95.33</b>
12	<b>Profit/(loss) from discontinuing operation</b>		-	-	-	-
13	<b>Tax Expense of discontinuing operations</b>		-	-	-	-
14	<b>Profit/(loss) from discontinuing operations after tax</b>		-	-	-	-
15	<b>Profit/(Loss) for the period (11+14)</b>		<b>674.80</b>	<b>790.01</b>	<b>336.17</b>	<b>95.33</b>
	<b>Earning per equity share:</b>					
	(1) Basic	29	8.09	9.47	4.03	1.14
	(2) Diluted		8.09	9.47	4.03	1.14

**ANNEXURE - III**  
**RESTATED CASH FLOW STATEMENT**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31 December, 2023		Standalone For the year ended 31 March, 2023		Standalone For the year ended 31 March, 2022		Standalone For the year ended 31 March, 2021	
<b>A. Cash flow from operating activities</b>								
Net Profit / (Loss) before extraordinary items and tax		968.64		1,010.98		451.65		98.29
Adjustments for:								
Depreciation and amortisation	148.74		195.22		177.72		173.71	
Finance costs	225.16		264.23		237.84		251.46	
Interest income	-		(5.08)		(6.53)		(5.96)	
Prior Period items	-		-		-		(56.86)	
Net Profit / (Loss)		373.90		454.37		409.04		362.36
Operating profit / (loss) before working capital changes		<b>1342.54</b>		<b>1,465.35</b>		<b>860.69</b>		<b>460.65</b>
<b>Changes in working capital:</b>								
Trade Receivables	(301.06)		55.49		(92.08)		(44.37)	
Inventories	(1,247.80)		(1,290.50)		(540.93)		(465.40)	
Short-Term Loans and Advances	(112.86)		164.48		(80.59)		202.55	
Other Current Assets	(145.17)		21.46		20.65		(71.75)	
Trade Payables	828.68		233.47		140.22		102.01	
Provisions	47.89		70.40		74.85		72.23	
Other Long-term liabilities	-		-		-		-	
Other Current Liabilities	2.87	(927.46)	43.19	(702.00)	26.84	(451.04)	(50.44)	(255.16)
		<b>415.09</b>		<b>763.35</b>		<b>409.65</b>		<b>205.48</b>
Cash flow from extraordinary items		-		-		-		-
Cash generated from operations		<b>415.09</b>		<b>763.35</b>		<b>409.65</b>		<b>205.48</b>
Net income tax (paid) / refunds		(293.84)		(260.11)		(115.48)		(2.96)
<b>Net cash flow from/(used in) operating activities(A)</b>		<b>121.24</b>		<b>503.24</b>		<b>294.17</b>		<b>202.52</b>
<b>B. Cash flow from investing activities</b>								
Interest income	-		5.08		6.53		5.96	
Increase/decrease in Fixed Assets	(118.94)		(100.68)		(282.17)		(36.35)	
Increase/Decrease in Intangible Asset	(1.05)		(4.67)		2.85		10.17	
Increase/decrease in Long-Term Loan and Advances	5.99		4.21		16.65		(121.14)	
Increase/decrease in Other non-current assets	13.86	(100.14)	(1.41)	(97.47)	(9.67)	(265.81)	(38.54)	(179.90)
<b>Net cash flow from/(used in) investing activities(B)</b>		<b>(100.14)</b>		<b>(97.47)</b>		<b>(265.81)</b>		<b>(179.90)</b>
<b>C. Cash flow from financing activities</b>								
Finance Cost	(225.16)		(264.23)		(237.84)		(251.46)	

Increase/decrease in Short-Term Borrowings	371.23		140.04		176.79		187.56	
Increase/decrease in Long-Term Borrowings	(226.00)		(409.46)		51.85		44.79	
Increase in Deferred Tax Asset	58.46	(21.47)	7.86	(525.78)	7.94	(1.26)	(19.18)	(38.30)
<b>Net cash flow from/(used in)financing activities(C)</b>		<b>(21.47)</b>		<b>(525.78)</b>		<b>(1.26)</b>		<b>(38.30)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		(0.38)		(120.03)		27.11		(15.67)
Cash and cash equivalents at the beginning of the year		3.63		123.66		96.55		112.23
<b>Cash and cash equivalents at the end of the year</b>		<b>3.25</b>		<b>3.63</b>		<b>123.66</b>		<b>96.55</b>

## GENERAL INFORMATION

### Brief Summary:

Our Company was originally incorporated as a private limited Company under the name of “**Energy-Mission Machineries (India) Private Limited**” on January 17, 2011 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing registration number as 063696. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on July 31, 2023 and the name of our Company was changed from “**Energy-Mission Machineries (India) Private Limited**” to “**Energy-Mission Machineries (India) Limited**” vide fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate identification number of our Company is U29100GJ2011PLC063696.

For further details please refer to chapter titled “**History and Corporate Structure**” beginning on page 126 of this Red Herring Prospectus.

<b>Registered Office</b>	E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand, Bol, Ahmedabad, Gujarat – 382 170, India. <b>Tel. No.:</b> +91-7984768296 <b>Email:</b> cfo@energymission.com <b>Website:</b> <a href="https://www.energymission.com/">https://www.energymission.com/</a> <b>CIN:</b> U29100GJ2011PLC063696 <b>Registration Number:</b> 063696
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### Address of the RoC:

#### Registrar of Companies, Ahmedabad

ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad – 380 013, Gujarat

**Phone:** 079- 27438531

**Email:** [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

**Website:** [www.mca.gov.in](http://www.mca.gov.in)

### Board of Directors:

The Board of Directors of our Company as on the date of filing of this Red Herring Prospectus consists of:

Name of Director	Designation	Address	DIN
Satishkumar Kanjibhai Parmar	Chairman, Executive Director & CFO	390, Santolina Villas, Applewoods Township, S.P. Ring Road, Near Shantipura Cross Road, Bopal, Ahmedabad – 380 058, Gujarat, India.	03297705
Dineshkumar Shankarlal Chaudhary	Managing Director	106, Yogiraj Bungalows, Indrapuri Township, Jashoda Nagar Chokdi, Ghodasar, Ahmedabad, Gujarat – 380 050, India	03297711
Ashokkumar Ramjibhai Panchal	Whole-Time Director	39, Yogiraj Bungalows, Jashoda Nagar, Ghodasar, Ahmedabad, Gujarat – 380 050, India	03498821
Sumitraben Mehta	Non-Executive Director	80 Yogiraj Bungalows, Nr Girivar Bungalows, M B Patel Farm, Jashodanagar Ghodasar, Ahmedabad, Gujarat – 380 050, India	10352828
Himanshu Jayantilal Trivedi	Independent Director	A1/63, Vineeta Aptt. Chakala Link Road, Near Dr. Charatsingh Colony, Andheri East, Delisle Road, Mumbai, Maharashtra – 400 013.	10341846
Vipul Mehta	Independent Director	93/B, Lotus Society, Opp GKG Hospital, Bhuj City, Kachchh, Bhuj, Gujarat - 370 001	10341290

For further details in relation to our Directors, please refer to chapter titled “**Our Management**” on page 130 of this Red Herring Prospectus.

<b>Chief Financial Officer</b> Satishkumar Kanjibhai Parmar	<b>Company Secretary and Compliance Officer</b> Bhargavi Dilipbhai Gupta
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<b>Energy-Mission Machineries (India) Limited</b> <b>Address:</b> E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand, Bol, Ahmedabad, Sanand, Gujarat, India, 382170 <b>Tel. No.:</b> +91-9824477764 <b>Email:</b> <a href="mailto:satish@energymission.com">satish@energymission.com</a>	<b>Energy-Mission Machineries (India) Limited</b> <b>Address:</b> E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand, Bol, Ahmedabad, Sanand, Gujarat, India, 382170 <b>Tel. No.:</b> +91- 7984768296 <b>Email:</b> <a href="mailto:cs@energymission.com">cs@energymission.com</a>
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### **Investor Grievances:**

**Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances relating to the Issue other than the Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidders should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the BRLM, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form.

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

### **Details of Key Intermediaries pertaining to this Issue and Our Company:**

<b>Book Running Lead Manager to the Issue</b>	<b>Legal Advisor to the Issue</b>
<b>Hem Securities Limited</b> <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai - 400013, Maharashtra, India <b>Tel No.:</b> +91-22-4906 0000 <b>Fax No.:</b> +91-22-22625991 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Mr. Neelkanth Agarwal <b>SEBI Reg. No.:</b> INM000010981	<b>Mindspright Legal</b> <b>Address:</b> 712-714, C-Wing, Trade World, Kamla City, Senapati Bapat Marg, Lower Parel (West), Mumbai- 400013, Maharashtra, India. <b>Tel No.:</b> +91-22-42197000 <b>Email:</b> <a href="mailto:legal@mindspright.co.in">legal@mindspright.co.in</a> <b>Contact Person:</b> Ms. Richa Bhansali <b>Website:</b> <a href="http://www.mindspright.co.in">www.mindspright.co.in</a>
<b>Registrar to the Issue</b>	<b>Statutory Auditor</b>
<b>Bigshare Services Private Limited</b> <b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, India. <b>Telephone:</b> +91 22 6263 8200 <b>Facsimile:</b> +91 22 6263 8299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Mr. Asif Sayyed <b>SEBI Registration Number:</b> INR000001385 <b>CIN:</b> U99999MH1994PTC076534	<b>S S P J &amp; Co.,</b> <b>Chartered Accountants,</b> <b>Address:</b> #1020, 10 <sup>th</sup> Floor, Shivalik Shilp, Iscon Crossroads, Ahmedabad – 380 058, Gujarat, India <b>Tel No.:</b> +91- 9350159266 <b>Email:</b> <a href="mailto:sujata@spjca.in">sujata@spjca.in</a> <b>Firm Registration No.:</b> 018083N <b>Contact Person:</b> CA Sujata Kapila <b>Peer Review Certificate No.:</b> 013212
<b>Bankers to the Company</b>	<b>Syndicate Member</b>

<b>HDFC Bank Limited</b> <b>Address:</b> Nakshatra Building, Char Rasta, Near Maninagar Balvatika, Maninagar, Ahmedabad, Gujarat – 380008 <b>Email:</b> Raunak.pagaria@hdfcbank.com <b>Website:</b> www.hdfcbank.com <b>Contact Person:</b> Raunak Pagaria <b>Designation:</b> Cluster Head	<b>Hem Finlease Private Limited</b> <b>Address:</b> 203, Jaipur Tower, M. I. Road, Jaipur-302001 Rajasthan <b>Tel No.:</b> +91-141-4051000 <b>Email Id:</b> ashoks@hemsecurities.com <b>Website:</b> www.hemsecurities.com <b>Contact Person:</b> Ashok Soni <b>SEBI Registration Number:</b> INZ000167734
<b>Bankers to the Issue/Refund Banker/ Sponsor Bank</b>	
<b>Axis Bank Ltd</b> <b>Address:</b> SG Highway Branch, Balleshwar Avenue, Ground Floor, Opposite Rajapath Club Ltd., SG Highway, Ahmedabad – 380 015 <b>Tel. No.:</b> 8758101081 <b>Email:</b> <a href="mailto:Archita.shah@axisbank.com">Archita.shah@axisbank.com</a> <b>Website:</b> <a href="http://www.axisbank.com">www.axisbank.com</a> <b>SEBI Registration No.:</b> INBI00000017 <b>Contact Person:</b> Archita Shah	

### Designated Intermediaries:

### Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>;  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>  
Investors are requested to refer the SEBI website for updated list of SCSBs and their 33 designated branches.

### Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

### Syndicate SCSB Branches

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

### Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

### Registrar and Share Transfer Agents

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

### Collecting Depository Participants

The list of the Collecting Depository Participants (CDPs) eligible to accept Bid-cum-Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Brokers to the Issue**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

### **Expert Opinion**

Except the report of the Auditor on statement of special tax benefits and report on restated financial statements prepared for the period ended December 31, 2023 and financial year ended March 31, 2023, 2022 and 2021 as included in this Red Herring Prospectus, our Company has not obtained any expert opinion.

### **Inter-se Allocation of Responsibilities**

Since, Hem Securities Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

### **Appraisal and Monitoring Agency**

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakh. Since the Issue size is below ₹ 10,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

### **Credit Rating**

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

### **IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

### **Trustees**

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

### **Debenture Trustees**

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

### **Filing of Issue Documents with the Designated Stock Exchange/SEBI/ROC**

The Draft Red Herring Prospectus was filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus was not be filed with SEBI, nor SEBI issued any observation on the Issue Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC at its office through the electronic portal at



<http://www.mca.gov.in> and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at <http://www.mca.gov.in>

### **Book Building Process**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ahmedabad Edition of Regional newspaper Ahmedabad Express where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company
- The Book Running Lead Manager in this case being Hem Securities Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI (ICDR) Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in

public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled **“Issue Procedure”** beginning on page 243 of the Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled **“Issue Procedure”** on page 243 of this Red Herring Prospectus.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled **“Issue Procedure”** on page 243 of this Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/Issue Program:

Event	Indicative Dates
Bid/ Issue Opening Date	May 09, 2024 <sup>1</sup>
Bid/ Issue Closing Date	May 13, 2024 <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange(T+1)	On or about May 14, 2024
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*(T+2)	On or about May 15, 2024
Credit of Equity Shares to Demat Accounts of Allottees(T+2)	On or about May 15, 2024
Commencement of Trading of The Equity Shares on the Stock Exchange(T+3)	On or about May 16, 2024

<sup>(1)</sup> Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI (ICDR) Regulations.

*(2) Our Company in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidder on Bid/Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Bid/ Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

### **Underwriting**

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the underwriter Hem Securities Limited.

Pursuant to the terms of the Underwriting Agreement dated January 17, 2024 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
<b>Hem Securities Limited</b> <b>Address:</b> - 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, India <b>Tel No.:</b> +91-22-4906 0000 <b>Email:</b> ib@hemsecurities.com <b>Investor Grievance Email:</b> redressal@hemsecurities.com <b>Website:</b> www.hemsecurities.com <b>Contact Person:</b> Rohit Sharma <b>SEBI Registration Number:</b> INM000010981	29,82,000	[●]	100%

*\*Includes 1,50,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Hem Finlease Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

#### Change in Auditors during the last three (3) years

Except as stated below, there have been no change in our Company's auditors in the last three (3) years.

Details of Auditor	Date of Change	Reason
<b>KMK &amp; ASSOCIATES LLP</b> <b>Chartered Accountant,</b> <b>Address:</b> 201, Shivalik-9, Nr. Vasundhara Society, Gulbai Tekra Road, Ahmedabad, Gujarat – 380 015, India <b>Phone:</b> 079 - 40372920 <b>Email:</b> info@kmkassociatesllp.com <b>Membership No:</b> 128100 <b>Contact Person:</b> CA Dhruvin Kothari	August 17, 2021	Resignation due to Pre-Occupation of Audit Work
<b>S S P J &amp; CO.</b> <b>Chartered Accountant,</b> <b>Address:</b> 105, Roots Tower, Plot 7, Laxmi Nagar District Centre, Delhi – 110 092, India <b>Phone:</b> 09350159266 <b>Email:</b> sujata@spjca.in <b>Membership No:</b> 515235 <b>Contact Person:</b> CA Sujata Kapila	August 31, 2021	Appointment

#### Details of the Market Making arrangement for this Issue

Our Company and the BRLM has entered into Market Making Agreement dated January 17, 2024 with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	Hem Finlease Private Limited
<b>Correspondence Address</b>	203, Jaipur Tower, M I Road, Jaipur, Rajasthan 302001, India.
<b>Tel No.</b>	0141-4051000
<b>E-mail</b>	ashoks@hemsecurities.com
<b>Website</b>	www.hemsecurities.com

<b>Contact Person</b>	Mr. Ashok Soni
<b>SEBI Registration No.</b>	INZ000167734
<b>Market Maker Registration No.</b>	SMEMM0674109092020

In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with NSE to fulfill the obligations of Market Making) dated January 17, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

Hem Finlease Private Limited registered with NSE will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

**Following is a summary of the key details pertaining to the Market making arrangement:**

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE EMERGE and SEBI from time to time.
- The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of NSE (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by the SME platform of NSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market-for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.

- **Risk containment measures and monitoring for Market Makers:** NSE EMERGE will have all margins, which are applicable on NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
  - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

The following spread will be applicable on the SME platform:

S. No.	Market Price Slab (in Rs.) Proposed Spread (in % to sale price)	Market Price Slab (in Rs.) Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%
₹20 to ₹50 Crore	20%	19%
₹50 to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/ NSE from time to time.

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

## CAPITAL STRUCTURE

The Share capital of our company as at the date of this Red Herring Prospectus is set forth below:

(₹ in Lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 1,30,00,000 Equity Shares having Face Value of ₹ 10/- each	1,300.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 83,44,500 Equity Shares having Face Value of ₹10/- each	834.45	-
C	<b>Present Issue in terms of this Red Herring Prospectus*</b> Upto 29,82,000 Equity Shares having Face Value of ₹ 10/-each at a price of ₹ [●] per share <i>Which comprises of:</i>	298.20	[●]
D	<b>Reservation for Market Maker Portion</b> Upto 1,50,000 Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share reserved as Market Maker Portion	15.00	[●]
E	<b>Net Issue to Public</b> Net Issue to Public of 28,32,000 Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share to the Public <i>Of which:</i>	283.20	[●]
	At least 9,92,000 Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors	99.20	[●]
	At least 4,25,000 Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Non-Institutional Investors	42.50	[●]
	Not more than 14,15,000 Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds.	141.50	
F	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Issue</b> [●] Equity Shares of face value of ₹10/- each		[●]
G	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Red Herring Prospectus)		Nil
	After the Issue		[●]

\*The Present Offer of upto 29,82,000 Equity Shares in terms of this Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated November 10, 2023 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on November 27, 2023.

### Classes of Shares:

Our Company has only one class of share capital i.e. Equity Shares of face value of ₹ 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

### NOTES TO THE CAPITAL STRUCTURE:

#### 1. Changes in Authorized Equity Share Capital of our Company:

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital (₹ in lakhs)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation	500	1000/-	5.00	On Incorporation	N.A.
2.	Increase in the authorized share capital of the Company from ₹5.00 Lakh to ₹1.00 Crore.	10,000	1000/-	100.00	April 25, 2011	EGM



3.	Increase in the authorized share capital of the Company from ₹1.00 Crore to ₹3.00 Crore.	30,000	1000/-	300.00	March 30, 2013	EGM
4.	Increase in the authorized share capital of the Company from ₹3.00 Crore to ₹4.00 Crore.	40,000	1000/-	400.00	March 01, 2017	EGM
5.	Sub-division of Face value of Equity Shares of the Company from 40,000 Equity Shares of 1000/- per Equity Share to 40,00,000 Equity shares of 10/- per Equity Share	40,00,000	10/-	400.00	June 15, 2023	EGM
6.	Increase in the authorized share capital of the Company from ₹4.00 Crore to ₹13.00 Crore.	1,30,00,000	10/-	1300.00	July 15, 2023	EGM

## 2. Equity Share Capital History of our Company:

a) The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)*	Cumulative Paid up Capital (₹)
Upon Incorporation	500	1000/-	1000/-	Cash	Subscription to MOA <sup>(i)</sup>	500	-	5,00,000
December 01, 2011	6,050	1000/-	1000/-	Cash	Further Issue <sup>(ii)</sup>	6,550	-	65,50,000
March 23, 2012	3,450	1000/-	1000/-	Cash	Further Issue <sup>(iii)</sup>	10,000	-	1,00,00,000
March 30, 2013	7,500	1000/-	1000/-	Cash	Further Issue <sup>(iv)</sup>	17,500	-	1,75,00,000
September 27, 2018	2,825	1000/-	3200/-	Cash	Right Issue <sup>(v)</sup>	20,325	62,15,000	2,03,25,000
November 28, 2018	2,825	1000/-	3200/-	Cash	Right Issue <sup>(vi)</sup>	23,150	1,24,30,000	2,31,50,000
January 19, 2019	4,665	1000/-	3200/-	Cash	Right Issue <sup>(vii)</sup>	27,815	2,26,93,000	2,78,15,000
<i>Pursuant to Shareholders' resolution dated June 15, 2023 the face value of Equity Shares of our Company was subdivided from 1000.00 per Equity Share to 10.00 per Equity Share. Therefore, 27,815 equity shares of our Company of face value of ₹ 1000 each was sub-divided into 27,81,500 equity shares of face value of ₹10 each and after sub-division the paid-up share capital was as follows:</i>								
Post Sub-division	27,81,500	10/-	-	-	-	27,81,500	2,26,93,000	2,78,15,000
July 18, 2023	55,63,000	10/-	Nil	Other than Cash	Bonus Issue in the Ratio of 2:1 <sup>(viii)</sup>	83,44,500	-	8,34,45,000

*All the above-mentioned shares are fully paid up since the date of allotment.*

(i) Initial Subscribers to the Memorandum of Association subscribed 500 Equity Shares of Face Value of ₹ 1000/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Satishkumar Kanjibhai Parmar	250
2.	Dineshkumar Shankarlal Chaudhary	250
<b>Total</b>		<b>500</b>

(ii) Allotment of 6,050 Equity Shares of Face Value of ₹ 1000/- each on Further Issue of Shares as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Satishkumar Kanjibhai Parmar	1,500
2.	Dineshkumar Shankarlal Chaudhary	1,000
3.	Sanjay Shantukumar Khankar	1,700
4.	Ashokkumar Ramjibhai Panchal	1,100
5.	Snehal Narendra Mehta	750
<b>Total</b>		<b>6050</b>

(iii) Allotment of 3,450 Equity Shares of Face Value of ₹ 1000/- each on Further Issue of Shares as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Satishkumar Kanjibhai Parmar	250
2.	Dineshkumar Shankarlal Chaudhary	750
3.	Sanjay Shantukumar Khankar	300
4.	Ashokkumar Ramjibhai Panchal	900
5.	Snehal Narendra Mehta	1,250
<b>Total</b>		<b>3,450</b>

(iv) Allotment of 7,500 Equity Shares of Face Value of ₹ 1000/- each on Further Issue of Shares as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Satishkumar Kanjibhai Parmar	1,500
2.	Dineshkumar Shankarlal Chaudhary	1,500
3.	Sanjay Shantukumar Khankar	1,500
4.	Ashokkumar Ramjibhai Panchal	1,500
5.	Snehal Narendra Mehta	1,500
<b>Total</b>		<b>7,500</b>

(v) Allotment of 2,825 Equity Shares of Face Value of ₹ 1000/- each on Right Issue of Shares as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Satishkumar Kanjibhai Parmar	565
2.	Dineshkumar Shankarlal Chaudhary	565
3.	Sanjay Shantukumar Khankar	565
4.	Ashokkumar Ramjibhai Panchal	565
5.	Snehal Narendra Mehta	565
<b>Total</b>		<b>2,825</b>

(vi) Allotment of 2,825 Equity Shares of Face Value of ₹ 1000/- each on Right Issue of Shares as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Satishkumar Kanjibhai Parmar	565
2.	Dineshkumar Shankarlal Chaudhary	565
3.	Sanjay Shantukumar Khankar	565
4.	Ashokkumar Ramjibhai Panchal	565
5.	Snehal Narendra Mehta	565
<b>Total</b>		<b>2,825</b>

(vii) Allotment of 4,665 Equity Shares of Face Value of ₹ 1000/- each on Right Issue basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Satishkumar Kanjibhai Parmar	933
2.	Dineshkumar Shankarlal Chaudhary	933

3.	Sanjay Shantukumar Khankar	933
4.	Ashokkumar Ramjibhai Panchal	933
5.	Snehal Narendra Mehta	933
	<b>Total</b>	<b>4665</b>

(viii) *Bonus issue of 53,63,000 Equity Shares of Face Value of ₹ 10/-each in the ratio of 2:1 i.e Two (2) Bonus Equity Share for every One (1) Equity Shares held by shareholders. (refer point no. 4 below for allottees list):*

- b) As on the date of this Red Herring Prospectus, our Company does not have any Preference Share Capital.
3. Except as mentioned in point number 4 below, the Company has not issued any Equity Share in the last two years preceding the date of the Red Herring Prospectus.
4. Issue of Equity Shares for consideration other than cash:

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotteeed
July 18, 2023	55,63,000	10.00	Nil	Bonus Issue in the ratio of 2:1	Capitalization of Reserves & Surplus	Satishkumar Kanjibhai Parmar	11,12,600
						Dineshkumar Shankarlal Chaudhary	11,12,600
						Sanjay Shantukumar Khankar	11,12,600
						Ashokkumar Ramjibhai Panchal	11,12,600
						Snehal Narendra Mehta	11,12,600
						<b>TOTAL</b>	<b>55,63,000</b>

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for bonus issue made on July 18, 2023, our Company has not issued Equity shares at price below the Offer price within last one year from the date of the Red Herring Prospectus.
8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. **Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as on the date of this Red Herring Prospectus:

**I - Our Shareholding Pattern:-**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoters & Promoter Group	7	83,44,500	-	-	83,44,500	100.00	83,44,500	-	83,44,500	100.00	-	100.00	-	-	-	83,44,500	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>	<b>7</b>	<b>83,44,500</b>	<b>-</b>	<b>-</b>	<b>83,44,500</b>	<b>100.00</b>	<b>83,44,500</b>	<b>-</b>	<b>83,44,500</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,44,500</b>	

The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

**Notes:**

- As on date of this Red Herring Prospectus 1 Equity share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹ 10/- each.
- We have entered into tripartite agreement dated December 05, 2023 and November 28, 2023 with CDSL & NSDL respectively.
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of the NSE before commencement of trading of such Equity Shares.

**10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-**

a) As on the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Satishkumar Kanjibhai Parmar	16,43,900	19.70
2.	Dineshkumar Shankarlal Chaudhary	16,68,900	20.00
3.	Sanjay Shantukumar Khankar	16,68,900	20.00
4.	Ashokkumar Ramjibhai Panchal	16,68,900	20.00
5.	Snehal Narendra Mehta	16,12,400	19.32
	<b>Total</b>	<b>82,63,000</b>	<b>99.02</b>

b) Ten days prior to the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Satishkumar Kanjibhai Parmar	16,43,900	19.70
2.	Dineshkumar Shankarlal Chaudhary	16,68,900	20.00
3.	Sanjay Shantukumar Khankar	16,68,900	20.00
4.	Ashokkumar Ramjibhai Panchal	16,68,900	20.00
5.	Snehal Narendra Mehta	16,12,400	19.32
	<b>Total</b>	<b>82,63,000</b>	<b>99.02</b>

c) One Year prior to the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 1000 each)	% Pre-Issue paid up Share Capital
1.	Satishkumar Kanjibhai Parmar	5,563	20.00
2.	Dineshkumar Shankarlal Chaudhary	5,563	20.00
3.	Sanjay Shantukumar Khankar	5,563	20.00
4.	Ashokkumar Ramjibhai Panchal	5,563	20.00
5.	Snehal Narendra Mehta	5,563	20.00
	<b>Total</b>	<b>27,815</b>	<b>100.00</b>

\*Details of shares held on April 29, 2023 and percentage held has been calculated based on the paid up capital of our Company as on April 29, 2023.

d) Two Years prior to the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 1000 each)	% Pre-Issue paid up Share Capital
1.	Satishkumar Kanjibhai Parmar	5,563	20.00
2.	Dineshkumar Shankarlal Chaudhary	5,563	20.00
3.	Sanjay Shantukumar Khankar	5,563	20.00
4.	Ashokkumar Ramjibhai Panchal	5,563	20.00
5.	Snehal Narendra Mehta	5,563	20.00
	<b>Total</b>	<b>27,815</b>	<b>100.00</b>

\*Details of shares held on April 29, 2022 and percentage held has been calculated based on the paid up capital of our Company as on April 29, 2022.

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares of our Company have

been listed or application money unblocked on account of failure of Offer. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split/ consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

### 13. Capital Build-up in respect of Shareholding of our Promoters

As on the date of this Red Herring Prospectus, Our Promoters, Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal, Snehal Narendra Mehta and Sumitraben Mehta collectively hold 83,19,500 Equity Shares of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
<b>Satishkumar Kanjibhai Parmar</b>							
January 17, 2011	250	1000	1000	Cash	Subscription of MOA	0.00	[●]
December 01, 2011	1,500	1000	1000	Cash	Further Issue	0.02	[●]
March 23, 2012	250	1000	1000	Cash	Further Issue	0.00	[●]
March 30, 2013	1,500	1000	1000	Cash	Further Issue	0.02	[●]
2012-13*	5	1000	1000	Cash	Acquisition by way of Transfer of Shares <sup>(a)</sup>	0.02	[●]
October 31, 2014	(5)	1000	1000	Cash	Disposal of shares by way of Transfer <sup>(b)</sup>	0.00	[●]
September 27, 2018	565	1000	3200	Cash	Right Issue	0.01	[●]
November 28, 2018	565	1000	3200	Cash	Right Issue	0.01	[●]
January 19, 2019	933	1000	3200	Cash	Right Issue	0.01	[●]
Pursuant to Shareholders' resolution dated June 10, 2023 the face value of Equity Shares of our Company was subdivided from Rs.1000.00 per Equity Share to Rs.10.00 per Equity Share.							
Post Sub Division	5,56,300	10	-	-	-	6.67	[●]
July 18, 2023	11,12,600	10	Nil	Nil	Bonus Issue in ratio of 2:1	13.33	[●]
July 26, 2023	(25,000)	10	Nil	Nil	Disposal of share by way of Transfer (Gift) <sup>(c)</sup>	(0.30)	[●]
<b>Total (A)</b>	<b>16,43,900</b>					<b>19.70</b>	<b>[●]</b>
<b>Dineshkumar Shankarlal Chaudhary</b>							
January 17, 2011	250	1000	1000	Cash	Subscription of MOA	0.00	[●]
December 01, 2011	1,000	1000	1000	Cash	Further Issue	0.01	[●]

March 23, 2012	750	1000	1000	Cash	Further Issue	0.01	[●]
March 30, 2013	1,500	1000	1000	Cash	Further Issue	0.02	[●]
2012-13*	-5	1000	1000	Cash	Disposal of Shares by way of Transfer <sup>(d)</sup>	0.02	[●]
October 31, 2014	5	1000	1000	Cash	Acquisition of shares by way of Transfer <sup>(e)</sup>	0.00	[●]
September 27, 2018	565	1000	3200	Cash	Right Issue	0.01	[●]
November 28, 2018	565	1000	3200	Cash	Right Issue	0.01	[●]
January 19, 2019	933	1000	3200	Cash	Right Issue	0.01	[●]
Pursuant to Shareholders' resolution dated June 10, 2023 the face value of Equity Shares of our Company was subdivided from Rs.1000.00 per Equity Share to Rs.10.00 per Equity Share.							
Post Sub Division	5,56,300	10	-	-	-	6.67	[●]
July 18, 2023	11,12,600	10	Nil	Nil	Bonus Issue in Ration of 2:1	13.33	[●]
<b>Total (B)</b>	<b>16,68,900</b>					20.00	[●]
<b>Sanjay Shantukumar Khankar</b>							
December 01, 2011	1,700	1000	1000	Cash	Further Issue	0.02	[●]
March 23, 2012	300	1000	1000	Cash	Further Issue	0.00	[●]
March 30, 2013	1,500	1000	1000	Cash	Further Issue	0.02	[●]
September 27, 2018	565	1000	3200	Cash	Right Issue	0.01	[●]
November 28, 2018	565	1000	3200	Cash	Right Issue	0.01	[●]
January 19, 2019	933	1000	3200	Cash	Right Issue	0.01	[●]
Pursuant to Shareholders' resolution dated June 10, 2023 the face value of Equity Shares of our Company was subdivided from Rs.1000.00 per Equity Share to Rs.10.00 per Equity Share.							
Post Sub Division	5,56,300	10	-	-	-	6.67	[●]
July 18, 2023	11,12,600	10	Nil	Nil	Bonus Issue in Ration of 2:1	13.33	[●]
<b>Total (C)</b>	<b>16,68,900</b>					20.00	[●]
<b>Ashokkumar Ramjibhai Panchal</b>							
December 01, 2011	1,100	1000	1000	Cash	Further Issue	0.01	[●]
March 23, 2012	900	1000	1000	Cash	Further Issue	0.01	[●]
March 30, 2013	1,500	1000	1000	Cash	Further Issue	0.02	[●]
September 27, 2018	565	1000	3200	Cash	Right Issue	0.01	[●]
November 28, 2018	565	1000	3200	Cash	Right Issue	0.01	[●]
January 19, 2019	933	1000	3200	Cash	Right Issue	0.01	[●]
Pursuant to Shareholders' resolution dated June 10, 2023 the face value of Equity Shares of our Company was subdivided from Rs.1000.00 per Equity Share to Rs.10.00 per Equity Share.							

Post Sub Division	5,56,300	10	-	-	-	6.67	[●]
July 18, 2023	11,12,600	10	Nil	Nil	Bonus Issue in Ration of 2:1	13.33	[●]
<b>Total (D)</b>	<b>16,68,900</b>					20.00	[●]
<b>Snehal Narendra Mehta</b>							
December 01, 2011	1,100	1000	1000	Cash	Further Issue	0.01	[●]
March 23, 2012	900	1000	1000	Cash	Further Issue	0.01	[●]
March 30, 2013	1,500	1000	1000	Cash	Further Issue	0.02	[●]
September 27, 2018	565	1000	3200	Cash	Right Issue	0.01	[●]
November 28, 2018	565	1000	3200	Cash	Right Issue	0.01	[●]
January 19, 2019	933	1000	3200	Cash	Right Issue	0.01	[●]
Pursuant to Shareholders' resolution dated June 10, 2023 the face value of Equity Shares of our Company was subdivided from Rs.1000.00 per Equity Share to Rs.10.00 per Equity Share.							
Post Sub Division	5,56,300	10	-	-	-	6.67	[●]
July 18, 2023	11,12,600	10	Nil	Nil	Bonus Issue in Ratio of 2:1	13.33	[●]
July 26, 2023	(56,500)	10	Nil	Nil	Disposal of share by way of Transfer (Gift) <sup>(f)</sup>	(0.68)	[●]
<b>Total (E)</b>	<b>16,12,400</b>					19.32	[●]
<b>Sumitraben Mehta</b>							
July 26, 2023	56,500	10	Nil	Nil	Acquisition of share by way of Transfer (Gift) <sup>(g)</sup>	0.68	[●]
<b>Total (F)</b>	<b>56,500</b>					<b>0.68</b>	[●]
<b>Grand Total</b>	<b>82,63,000</b>					99.02	[●]

\*Transfer deed for such Transaction not found.

Note: None of the Shares has been pledged by our Promoters.

(a) Details of Acquisition by Satishkumar Kanjibhai Parmar by way of Transfer of 5 equity shares.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	2012-13*	Dineshkumar Shankarlal Chaudhary	5
		<b>Total</b>	<b>5</b>

\*Transfer deed for such Transaction not found.

(b) Details of Disposal of Shares by Satishkumar Kanjibhai Parmar by way of Transfer of 5 equity shares.

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	October 31, 2014	Dineshkumar Shankarlal Chaudhary	5
		<b>Total</b>	<b>5</b>

(c) Details of Disposal of Shares by Satishkumar Kanjibhai Parmar by way of Transfer (Gift) of 25,000 equity shares.

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	July 26, 2023	Amisha Satishkumar Parmar	25,000
		<b>Total</b>	<b>25,000</b>

(d) Details of Disposal of Shares by Dineshkumar Shankarlal Chaudhary by way of Transfer of 5 equity shares.

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
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1.	2012-13*	Satishkumar Kanjibhai Parmar	5
		<b>Total</b>	<b>5</b>

\*Transfer deed for such Transaction not found.

(e) Details of Acquisition by Dineshkumar Shankarlal Chaudhary by way of Transfer of 5 equity shares.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	October 31, 2014	Satishkumar Kanjibhai Parmar	5
		<b>Total</b>	<b>5</b>

(f) Details of Disposal of Shares by Snehal Narendra Mehta by way of Transfer (Gift) of 56,500 equity shares.

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	July 26, 2023	Sumitraben Mehta	56,500
		<b>Total</b>	<b>56,500</b>

(g) Details of acquisition by Sumitraben Mehta by way of transfer of 56,500 equity share.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	July 26, 2023	Snehal Narendra Mehta	56,500
		<b>Total</b>	<b>56,500</b>

14. The average cost of acquisition or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Satishkumar Kanjibhai Parmar	16,43,900	6.14
2.	Dineshkumar Shankarlal Chaudhary	16,68,900	6.05
3.	Sanjay Shantukumar Khankar	16,68,900	6.05
4.	Ashokkumar Ramjibhai Panchal	16,68,900	6.05
5.	Snehal Narendra Mehta	16,12,400	6.26
6.	Sumitraben Mehta	56,500	0.00

15. Shareholding of Promoters & Promoter Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoters and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters (A)</b>				
1.	Satishkumar Kanjibhai Parmar	16,43,900	19.70	16,43,900	[●]
2.	Dineshkumar Shankarlal Chaudhary	16,68,900	20.00	16,68,900	[●]
3.	Sanjay Shantukumar Khankar	16,68,900	20.00	16,68,900	[●]
4.	Ashokkumar Ramjibhai Panchal	16,68,900	20.00	16,68,900	[●]
5.	Snehal Narendra Mehta	16,12,400	19.32	16,12,400	[●]
6.	Sumitraben Mehta	56,500	0.68	56,500	[●]
	<b>Sub Total (A)</b>	<b>83,19,500</b>	<b>99.70</b>	<b>83,19,500</b>	[●]
	<b>Promoter Group (B)</b>				
7.	Amisha Satishkumar Parmar	25,000	0.30	25,000	[●]
	<b>Sub Total (B)</b>	<b>25,000</b>	<b>0.30</b>	<b>25,000</b>	[●]
	<b>Total (A) + (B)</b>	<b>83,44,500</b>	<b>100.00</b>	<b>83,44,500</b>	[●]

16. No Equity Shares were acquired/ purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Red Herring Prospectus.

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Red Herring Prospectus.

18. Details of Promoters’ Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post Offer capital held by our Promoters shall be considered as Promoter’s Contribution (“Promoters Contribution”) and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Offer. The lock in of Promoter’s Contribution would

be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Red Herring Prospectus, our Promoters hold 83,19,500 Equity Shares constituting [●] % of the Post-Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters, Satishkumar Kanjibhai Parmar and Dineshkumar Shankarlal Chaudhary, have given written consent to include 23,18,500 Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting 20.47% of the post Offer Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Offer.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Offer Shareholding %	Lock in Period
<b>Satishkumar Kanjibhai Parmar</b>						
July 18, 2023	11,12,600	10	Nil	Bonus Issue	[●]	3 years
January 19, 2019	93,300	10	32	Right Issue	[●]	3 years
<b>Dineshkumar Shankarlal Chaudhary</b>						
July 18, 2023	11,12,600	10	Nil	Bonus Issue	[●]	3 years
<b>Total</b>	<b>23,18,500</b>				[●]	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "Promoter" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Offer.

The entire pre-Offer shareholding of the Promoters and Promoter Group, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Offer.

#### Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237(1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the Offer price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>

#### Details of Promoters' Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 60,26,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the Ratio of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

**Other requirements in respect of lock-in:**

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
19. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
20. As on the date of this Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire Issue price in respect of the Issue is payable on application, all the successful applicants will be allotted fully paid up Equity Shares.
21. The BRLM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus.
22. As on the date of this Red Herring Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
23. We have 7 (Seven) shareholders as on the date of filing of this Red Herring Prospectus.
24. As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
25. Our Company has not raised any bridge loan against the proceeds of the Issue.
26. As on the date of this Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
28. An over-subscription to the extent of 1% of the Issue, subject to the maximum post Issue paid up capital of Rs. 25 Cr., can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In

such an event, the Equity Shares held by the Promoter and subject to 3-year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

29. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
30. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
31. There are no Equity Shares against which depository receipts have been issued.
32. Other than the Equity Shares, there is no other class of securities issued by our Company.
33. There are no safety net arrangements for this public Issue.
34. As per RBI regulations, OCBs are not allowed to participate in this Issue.
35. Our Promoters and Promoter Group will not participate in this Issue.
36. This Issue is being made through Book Building Process.
37. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
38. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-Issue paid-up Equity Shares Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
39. No person connected with the Issue shall Issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus with the Registrar of companies and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of up to 29,82,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Share. We intend to utilize the proceeds of the net issue to meet the following objects:

1. Funding of capital expenditure towards civil construction work at existing manufacturing unit located at Sanand, District Ahmedabad, Gujarat
2. Funding of capital expenditure towards installation of new plant & machineries
3. To meet working capital requirements
4. General Corporate Purpose

*(Collectively referred as the “Objects”)*

In addition, we believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the NSE EMERGE platform. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum enables our Company to undertake its existing activities.

### Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to Issue	[●]
Net Proceeds	[●]

### Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

S. No.	Particulars	Amount (₹ in Lakhs)
1.	Funding of capital expenditure towards civil construction work at existing manufacturing unit located at Sanand, District Ahmedabad, Gujarat	686.40
2.	Funding of capital expenditure towards installation of new plant & machineries	742.93
3.	To meet working capital requirements	1500.00
4.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

### Means of Finance

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amount (₹ in Lakhs)
Net Issue Proceeds	[●]
<b>Total</b>	[●]

*Since, the entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure

plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled **"Risk Factors"** beginning on page 24 of this Red Herring Prospectus.

### Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

#### 1. Funding of capital expenditure towards civil construction work at existing manufacturing unit located at Sanand, District Ahmedabad, Gujarat

We propose to expand our existing manufacturing unit by construction of additional shed and utilize the existing unused floor space, which will enhance our production capacity. In addition, we plan to construct administration building at our existing manufacturing unit. Therefore, we intend to utilize net issue proceeds of Rs. 686.40 lakhs towards civil construction work at our existing manufacturing unit located at Sanand, District Ahmedabad, Gujarat.

*Set out below is a break-up of the estimated cost towards civil construction work*

S. No	Civil construction work details	Quotation details	Quotation Amount
1.	Extension of main shed civil work	Quotation dated November 30, 2023 from Siddhi Construction Work, Ahmedabad	144.27
2.	Construction and interior work of Admin building		205.53
3.	RCC Road work from entry gate to new shed		31.36
4.	Paver laying work		37.41
5.	Machine foundation work		18.52
6.	Weighbridge work		16.46
7.	Building erection (with material)	Quotation dated December 01, 2023 from Akurai PEB LLP	181.28
8.	Electrical work	Quotation dated December 02, 2023 from Western Power Projects Private Limited	51.57
<b>TOTAL</b>			<b>686.40</b>

\*including GST

#### Notes:

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
- All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.

#### 2. Funding of capital expenditure towards installation of new plant & machineries

Our Company intends to enhance its existing manufacturing capabilities through investment in additional plant & machineries. These assets will be positioned at our existing manufacturing unit located at Sanand, District Ahmedabad, Gujarat (including the extended unit). Our Company proposes to use part of net proceeds to the extent to Rs. 742.93 lakhs to meet capital expenditure in relation to below mentioned machines.

A detailed breakup of estimated cost which are proposed to be funded from the net issue proceeds is set forth below:

S. No.	Machinery Details	Qty	Quotation details	Quotation Amount
1.	Fixed Double Column Machining Centre	1	Quotation dated September 04, 2023 from Shubhline Automation Pvt Ltd	173.71
2.	CNC Vertical Machining Centre	3	Quotations dated December 02, 2023 from Bharat Fritz Werner Ltd	97.95

3.	CNC Lathe Machines	3	Quotations dated December 02, 2023 from Bharat Fritz Werner Ltd	73.75
4.	Goliath cranes of different capacities	5	Quotation dated December 13, 2023 from Akuren MHE India LLP	234.97
5.	Installation of Grid Connected Solar Rooftop Power Plant	1	Quotation dated December 11, 2023 from Euro Premium Solar System(India)Pvt.Ltd	86.53
6.	Fiber Laser Metal Cutting Machine	1	Quotations dated December 08, 2023 from Mehta Cad Cam Systems Pvt Ltd	44.84
7.	Fiber Hand-Held Laser Welding Machine	1		7.08
8.	Powder coating plant (Electrical Oven (Qty 1), Powder Spray Booth (Qty 1), Electrostatic Gun (Qty 2), M S Tank with FRP Lining (Qty 7), SS Basket (Qty 2) and Overhead Conveyor Track box type)	1	Quotations dated December 06, 2023 from Chass Engineers Pvt. Ltd.	24.10
<b>TOTAL</b>				<b>742.93</b>

\*including GST

**Notes:**

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
- All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.
- The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
- We are not acquiring any second-hand machinery.
- The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of Packing & Forwarding, Transportation, Transit Insurance, Octroi / Entry tax if any etc. Such cost escalation would be met out of our internal accruals.

Reason/rationale/purpose for enhancing existing manufacturing capabilities through investment in additional plant & machineries:

S. No	Machinery Details	Machine usage & rationale of purchase
1.	Fixed Double Column Machining Centre	Fixed double column machining center is used for machining of structure and parts. Currently, we outsource the machining of major structure components. With the installation of fixed double column machining centre, we will be able to save the job work and logistics cost and will have higher control over the quality of material.
2.	CNC Vertical Machining Centre	CNC Vertical Machining Centre is used for machining of structural parts and tools. We currently own 1 CNC VMC machines, and with the addition of 3 more machines, we will be able to reduce our dependency on outside job work, which will save our job work and logistics cost, and will result in higher control over quality of material.
3.	CNC Lathe Machines	CNC Lathe machines are used for machining of round parts like cylinder. We currently own 2 CNC lathe machines, and with the addition of 3 more machines, we will be able to reduce our dependency on outside job work, which will save our job work and logistics cost, and will result in higher control over quality of material.
4.	Goliath cranes of different capacities	Cranes are used for handing and movement of heavy materials and machineries. The addition of 5 more cranes in our manufacturing unit will bring more efficiency in internal machine and material movements and will save the production run time.

5.	Installation of Grid Connected Solar Rooftop Power Plant	We intend to install the solar rooftop power plant for captive consumption of power utilities, which eventually will result in savings in power cost.
6.	Fiber Laser Metal Cutting Machine	Fiber Laser Metal Cutting Machine is a sheet cutting machine for fabrication. It gives controlled quality output as per set program dimension. It will help us to receive fabricated material on time and as per desired quality description. It will also help us to reduce lead time as well as cost of procurement of fabricated material parts.
7.	Fiber Hand-Held Laser Welding Machine	Fiber Hand-Held Laser Welding Machine is a sheet joining machine for fabrication. It will help us to receive fabricated material on time and as per desired quality description. It will also help us to reduce lead time as well as cost of procurement of fabricated material parts.
8.	Powder coating plant (Electrical Oven (Qty 1), Powder Spray Booth (Qty 1), Electrostatic Gun (Qty 2), M S Tank with FRP Lining (Qty 7), SS Basket (Qty 2) and Overhead Conveyor Track box type)	It's a surface coating system for final paint of machines, which will result in high finishing of machines.

### 3. To Meet Working Capital Requirement

Our business requires working capital majorly for investment in inventories, trade receivables and payment to trade payables and funding day to day operations. The Company will meet the requirement to the extent of ₹ 1500.00 lakhs from the Net Proceeds of the Issue and balance from internal accruals/borrowings at an appropriate time.

(Rs. in lakhs)

S. No.	Particulars	Restated				Provisional	Estimated
		31-March-2021	31-March-2022	31-March-2023	31-Dec-2023	31-March-2024	31-March-2025
<b>I</b>	<b>Current Assets</b>						
	Inventories	3,134.23	3,675.16	4,965.65	6,213.46	6245.13	6612.00
	Trade receivables	322.60	414.68	359.18	660.24	778.16	848.90
	Short Term Loans & Advances	208.50	289.09	124.61	237.47	167.80	222.00
	Other Current Assets	76.08	55.43	33.97	179.13	26.70	49.40
	<b>Total(A)</b>	<b>3,741.40</b>	<b>4,434.35</b>	<b>5,483.41</b>	<b>7,290.31</b>	<b>7217.79</b>	<b>7,732.30</b>
<b>II</b>	<b>Current Liabilities</b>						
	Trade payables	2,060.86	2,201.09	2,434.56	3,263.24	2443.30	2074.80
	Other current liabilities	955.81	982.65	1,025.85	1,028.72	1511.40	864.25
	Short-term provisions	51.39	123.35	181.55	213.68	316.80	183.5
	<b>Total (B)</b>	<b>3,068.07</b>	<b>3,307.09</b>	<b>3,641.96</b>	<b>4,505.63</b>	<b>4,271.50</b>	<b>3,122.55</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	673.33	1,127.26	1,841.45	2,784.68	2,946.29	4,609.75
<b>IV</b>	<b>Funding Pattern</b>						
	Short Term Borrowings & Internal accruals	673.33	1,127.26	1,841.45	2,784.68	2,946.29	3,109.75
	<b>IPO Proceeds</b>					<b>-</b>	<b>1500.00</b>

#### Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the stub period of nine months and financial years ended March 31, 2024 (provisional basis), March 31, 2023, March 31, 2022 and March 31, 2021, as well as projections for financial year ended March 31, 2025.

Particulars	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2023	March 31, 2024	March 31, 2025
<b>Inventories (Days)</b>	240 days	171 days	182 days	205 days	181 days	140 days
<b>Debtors (Days)</b>	25 days	19 days	13 days	22 days	22 days	18 days
<b>Creditors (Days)</b>	215 days	147 days	125 days	158 days	109 days	75 days

Reasons for considering the above-mentioned days:



<b>Debtors</b>	<p>The historical holding days of trade receivables has been ranging from 13 days to 25 days during Fiscal 2021 to Fiscal 2023 and Apr.'23 to Dec.'23. The holding level for debtors (as per provisional financials of March 31, 2024) has been around 22 days of total revenue from operations during Fiscal 2024. During F.Y. 2024-25, the Company intends to keep trade receivables days to be near 18 days for F.Y. 2024-25.</p> <p>Company's debtors collection period is usually around 2 to 3 weeks. For F.Y. 2020-21, due to the impact of Covid-19, Company's debtors collection period rose above 3 weeks. Otherwise, Company's inventory levels have been maintained between 13 – 22 days for fiscal 2022, fiscal 2023 and for nine months period Dec. 31, 2023. Further, in F.Y. 2023-24, based on provisional financials, Company's debtors collection period has been 22 days. However, going forward in F.Y. 2024-25, the Company expects to keep trade receivables days to be near 18 days for F.Y. 2024-25.</p>
<b>Creditors</b>	<p>The past trend of trade payables payment days has been in the range of 125 days to 215 days approximately during Fiscal 2021 to Fiscal 2023 and Apr.'23 to Dec.'23. The trade payable payment days for Fiscal 2024 (As per provisional financials) has been around 109 days. However, with additional working capital funding, the Company intends to reduce trade payable to 75 days during Fiscal 2025 to avail cash discount as well as competitive purchase price, which will increase overall profitability of the Company. By reducing the time, it takes to settle the payables, Company aim to negotiate more favCompany'sable terms and conditions with the suppliers, enabling them to access competitive pricing for the goods Company procure.</p> <p>During the last three fiscals of 2021, 2022 and 2023 and in the current financial year itself, there is a continuous effort by Company to reduce the creditors payment period. This effort fetches us better costing in terms of reduced prices especially for MS Steel procurement, which constitutes a substantial portion of the cost of material consumed. In respect of MS Steel, we have shifted the purchase credit from 90 days to 60 days in previous year and further reduced to 30 days in the current fiscal year. Company have started bulk buying from direct wholesale dealers and distributors in this segment. From F.Y. 2024-25, Company is planning to bring down the procurement to Cash on Delivery for all MS Steel Materials. Likewise, Company is planning to buy all imported material on buyer's credit through Import LC of 90 days, that will bring down supplier credit days further.</p>
<b>Inventories</b>	<p>The historical holding days of inventories has been in range of 171 days to 240 days during Fiscal 2021 to Fiscal 2023 and Apr.'23 to Dec.'23. For Fiscal 2024, the inventories holding days as per provisional financials has been around 181 days. Further, in Fiscal 2025, the Company expects to control and optimize the inventory levels and reduce the holding levels to around 140 days.</p> <p>The augmentation in Company's working capital requirements can be primarily attributed to a substantial escalation in Company's inventory levels. This surge in inventories is directly linked with the increase in Company's revenue. Company's revenue from operations increased from Rs. 4761.27 lakhs in F.Y. 2020-21 to Rs. 7,835.27 lakhs in F.Y. 2021-22 depicting a substantial increase of 108.3% (y-o-y). Similarly, Company's revenue from operations has increased to Rs. 9956.34 lakhs in F.Y. 2022-23 depicting an increase of 27.08% as compared to F.Y. 2021-22. As Company's Company's revenue has expanded in the recent years, it necessitated a corresponding increase in inventory levels so as to accommodate higher production demands and adequately meet customer orders.</p> <p>Company offer over 600 variants of metal forming machines. There are approximately 400 items in one Bill of Material to manufacture a single machine. Thus, there are wide range of materials we have to keep in the store. Company have manufacturing cycle of 3 to 4 months. For F.Y. 2020-21, due to the impact of Covid-19, Company's inventory level days got abnormally high to 240 days. Otherwise, Company's inventory levels has been maintained between 170 – 185 days for fiscal 2022 and 2023. Further, in F.Y. 2023-24 the inventory levels as per provisional financial statements has been 181 days. However, going forward in F.Y. 2024-25, the Company expects to control and optimize the inventory levels and reduce the holding levels to around 140 days.</p>

**Reason for increase in working capital requirements in FY 22 as compared to FY 21**

There has been an increase in working capital requirements of the company in FY 22 as compared to FY 21, primarily due to following reasons:

- a) During FY 2021-22, our company experienced a significant increase in production and revenue compared to the previous fiscal

year. This growth was driven by higher market demand, leading us to produce 471 machines, as compared to 310 machines in FY 2020-21. Our revenue also saw a substantial rise, reaching to Rs. 7835.27 lakhs compared to Rs. 4761.27 lakhs in the preceding fiscal year. This surge in production and revenue naturally resulted in a corresponding increase in our inventory levels, which grew from Rs. 3134.23 lakhs to Rs. 3675.16 lakhs by March 31, 2022. Given that our company offers over 600 variants of metal forming machines, each requiring around 400 items in a single bill of material, the higher level of production necessitated a higher level of inventories to support our operations effectively.

- b) In FY 2021-22, our revenue surged by 64.56% to Rs. 7835.27 lakhs compared to Rs. 4761.27 lakhs in FY 2020-21. This substantial increase in turnover led to a corresponding rise in the amounts to be recovered from debtors. As a result, our trade receivables as of March 31, 2022, increased to Rs. 414.68 lakhs as compared to Rs. 322.60 lakhs as on March 31, 2021.

#### **Reason for increase in working capital requirements in FY 23 as compared to FY 22**

There has been an increase in working capital requirements of the company in FY 23 as compared to FY 22 due to following reason:

- a) In FY 23, a significant amount of funds was blocked in inventories due to increased purchasing activity by the company. This strategic decision was made to ensure the timely and efficient fulfilment of customer orders, facilitate bulk purchases to secure competitive pricing and mitigate potential supply chain disruptions. Consequently, a larger portion of working capital was allocated to meet these increased inventory requirements. As a result of these actions, our inventory levels rose substantially from Rs. 3675.16 lakhs to Rs. 4965.65 lakhs as of March 31, 2023.

#### **Reason for increase in working capital requirements in Dec.'23 as compared to FY 23**

There has been an increase in working capital requirements of the company in Dec.'23 as compared to FY 23 due to following reasons:

- a) The Company has to make advance payments to certain suppliers for procurement of raw materials. As of Dec.'23, the Company's advances to suppliers amounted to Rs. 109.18 lakhs, showing an increase of Rs. 82.87 lakhs from Rs. 26.31 lakhs as on March'23, attributable to the increasing procurement of raw materials.
- b) As of Dec. 31, 2023, the trade receivables rose to Rs. 660.24 lakhs as compared to Rs. 359.18 lakhs as on March 31, 2023. This increase was primarily due to the favourable credit terms given to known customers, resulting in a larger portion of working capital being tied up in trade receivables.
- c) Due to a proportionately higher production of machines between Apr.'23 and Dec.'23, there was a corresponding increase in inventories. This led to a rise in inventories from Rs. 4965.65 lakhs as on March 31, 2023 to Rs. 6213.46 lakhs as on December 31, 2023.

#### **4. General Corporate Purpose**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of ₹ [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Red Herring Prospectus/ Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

The total estimated Issue Expenses are ₹ [●] Lakhs, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Activity	(₹ in Lakh)	As a % of Estimates Issue Expenses	As a % of Issue Size
Book Running Lead Manger Fees	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]
Brokerage and selling commission	[●]	[●]	[●]

Activity	(₹ in Lakh)	As a % of Estimates Issue Expenses	As a % of Issue Size
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Statutory Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Issue and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders. Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows

Portion for Retail Individual Bidders*	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.10% of the Amount Allotted* (plus applicable taxes)

\*Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.

(3) No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders	₹ 10 per valid Bid cum Application Form (plus applicable taxes)
Portion for Non-Institutional Bidders	₹ 10 per valid Bid cum Application Form (plus applicable taxes)

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹1 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis.

(4) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	₹ 10 per valid application (plus applicable taxes)
Sponsor Bank - HDFC Bank Limited	₹ 6 per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, other agreements and other applicable laws.

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIBs (up to ₹200,000), Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.10% of the Amount Allotted* (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹10 per valid application (plus applicable taxes)

\* Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed ₹ 1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

### Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ in Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 24-25
1.	To meet working capital requirements	1500.00
2.	Funding of capital expenditure towards civil construction work at existing manufacturing unit located at Sanand, District Ahmedabad, Gujarat	686.40
3.	Funding of capital expenditure towards installation of new plant & machineries	742.93
4.	General Corporate Purpose	[●]
	<b>Total</b>	<b>[●]</b>

### Appraisal

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in the DRHP, Red Herring Prospectus and the Prospectus are based on our current business plan, management estimates, prevailing market conditions and other commercial considerations. However, such fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail reviewing the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

### Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### Bridge Financing Facilities

As on the date of the Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### Monitoring Utilization of Funds

As the size of the Issue will not exceed ₹ 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue

Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

#### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

#### **Variation in Objects**

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

#### **Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our directors or key managerial personnel except in the normal course of business and in compliance with the applicable laws.

## **BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 24, 104 and 151 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ [●] times of the face value.

### **QUALITATIVE FACTORS**

We believe the following business strengths allow us to successfully compete in the industry:

- a) Well diversified customer base spread across various industries and geography
- b) Varied product range appealing to a diverse customer base
- c) In-house manufacturing facility
- d) Stringent quality control mechanism ensuring standardized product quality
- e) Experienced Promoters with strong management team having domain knowledge

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 104 of this Red Herring Prospectus.

### **QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 151 of this Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

#### **1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):**

As per the Restated Financial Statements:

Sr. No	F.Y.	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2023	9.47	3
2.	Financial Year ending March 31, 2022	4.03	2
3.	Financial Year ending March 31, 2021	1.14	1
	<b>Weighted Average</b>	<b>6.27</b>	<b>6</b>
4.	Period ending on December 31, 2023	<b>8.09</b>	

#### **Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- vi. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

#### **2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up:**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2023	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Industry P/E Ratio*	(P/E) Ratio
Highest	779.56
Lowest	89.06
<b>Industry Average</b>	<b>434.31</b>

\* We have mentioned those peers which falls in the machine manufacturing industry for broad comparison purpose, however there is a distinction in the product portfolio between our company and those of our peers.

**Note:**

- i) The P/E ratio of peers has been computed by dividing Market price as on April 26, 2024 with EPS for the F.Y. 2022-23.

**3. Return on Net worth (RoNW)**

Sr. No	Period	RONW (%)	Weights
1	Period ending March 31, 2023	33.57%	3
2	Period ending March 31, 2022	21.51%	2
3	Period ending March 31, 2021	7.77%	1
	<b>Weighted Average</b>	<b>25.25%</b>	<b>6</b>
4.	Period ending December 31, 2023	22.29%	

**Note:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.  
ii. The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year  
iii. Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

**4. Net Asset Value (NAV) per Equity Share:**

Sr. No.	NAV per Equity Share	(Amount in ₹)
1.	As at March 31, 2021	14.70
2.	As at March 31, 2022	18.73
3.	As at March 31, 2023	28.20
4.	NAV per Equity Share after the Issue	[●]
5.	Issue Price	[●]
6.	As at December 31, 2023	36.29

\*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year.

**Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.  
ii. NAV per share=Restated Net worth at the end of the year divided by weighted average number of equity shares outstanding at the end of the year  
iii. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.  
iv. Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

**5. Comparison of Accounting Ratios with Industry Peers**

(₹ In lakhs)

Name of Company	Current Market Price (₹)	Face Value	EPS	PE	RoNW (%)	Book Value (₹)	Total Income (₹ In lakhs)
			Basic/Diluted				
Energy-Mission Machineries (India) Limited	[●]	10.00	9.47	[●]	33.57%	28.20	10,066.12
<b>Peer Group</b>							
Macpower CNC Machines Limited	1148.00	10.00	12.89	89.06	13.34%	96.61	20,214.00
Jyoti CNC Automation Limited	795.15	2.00	1.02	779.56	18.35%	5.57	95,260.00

**Notes:**

- (i) Source – All the financial information for listed industry peers mentioned above is sourced from the Financial Results of the aforesaid companies for the year ended March 31, 2023 and stock exchange data dated April 26, 2024 to compute the corresponding financial ratios. Information related to Jyoti CNC Automation Limited has been taken from its Prospectus dated January 02, 2024. For our Company, we have taken Current Market Price as the issue price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.

- (ii) The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the F.Y. 2022-23.
- (iii) NAV per share is computed as the closing net worth divided by the weighted average number of paid-up equity shares as on March 31, 2023.
- (iv) RoNW has been computed as net profit after tax divided by closing net worth.
- (v) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (vi) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

## 6. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 30, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by SSPJ & Co., Chartered Accountants, by their certificate dated April 30, 2024.

The KPIs of our Company have been disclosed in the sections titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*” on pages 104 and 200, respectively. We have described and defined the KPIs as applicable in “*Definitions and Abbreviations*” on page 1.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

### Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Apr 23 – Dec 23	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	8328.48	9956.34	7835.27	4761.27
EBITDA <sup>(2)</sup>	1271.26	1360.64	795.91	450.66
EBITDA Margin <sup>(3)</sup>	15.26%	13.67%	10.16%	9.47%
PAT <sup>(4)</sup>	674.80	790.01	336.17	95.33
PAT Margin <sup>(5)</sup>	8.10%	7.93%	4.29%	2.00%
RoE(%) <sup>(6)</sup>	25.08% (not annualized)	40.35%	24.10%	7.89%
RoCE (%) <sup>(7)</sup>	21.86% (not annualized)	28.08%	17.15%	10.12%

#### Notes:

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

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

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus Long term borrowings plus Short term borrowings.

#### Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders’ funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.



7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Energy-Mission Machineries (India) Ltd				Macpower CNC Machines Limited				Jyoti CNC Automation Limited			
	For period ended on 31 <sup>st</sup> Dec 2023	FY 2022-23	FY 2021-22	FY 2020-21	For period ended on 31 <sup>st</sup> Dec 2023	FY 2022-23	FY 2021-22	FY 2020-21	For period ended on 31 <sup>st</sup> Dec 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	8328.48	9956.34	7835.27	4761.27	16970	20189	19012	11287	88833.3	92925.9	74648.7	58005.9
EBITDA <sup>(2)</sup>	1271.26	1360.64	795.91	450.66	2250	2067	2050	918	16712.2	9737.9	7266.2	3168.9
EBITDA Margin (%) <sup>(3)</sup>	15.26%	13.67%	10.16%	9.47%	13.26%	10.24%	10.78%	8.13%	18.81%	10.48%	9.73%	5.46%
PAT <sup>(4)</sup>	674.80	790.01	336.17	95.33	1522	1289	1284	603	5122.0	1506.0	(4830.0)	(7002.9)
PAT Margin (%) <sup>(5)</sup>	8.10%	7.93%	4.29%	2.00%	8.97%	6.38%	6.75%	5.34%	5.77%	1.62%	(6.47%)	(12.07%)
RoE (%) <sup>(6)</sup>	25.08%	40.35%	24.10%	7.89%	Not ascertainable	14.22%	16.34%	8.68%	Not ascertainable	24.44%	-62.83%	-46.33%
RoCE (%) <sup>(7)</sup>	21.86%	28.08%	17.15%	10.12%	Not ascertainable	18.17%	21.89%	9.56%	Not ascertainable	9.29%	4.74%	0.46%

Notes:

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Finance cost - Other Income

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

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

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term borrowings and Short term borrowings.

## 8. Weighted average cost of acquisition

- a) The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on July 18, 2023 during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

- b) The price per share of our Company based on the secondary sale/ acquisition of shares (equity shares)

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter/ Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this certificate irrespective of the size of transactions, is as below:

### Primary Transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Red Herring Prospectus:

Date of Allotment	No. of equity Shares allotted	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
July 18, 2023	55,63,000	Nil	Bonus Issue in ratio of 2:1	Other than Cash	Nil

### Secondary Transactions:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Prospectus:

Date of transfer	Name of transferor	Name of transferee	No. of Equity shares	Price Per Equity Share (₹)	Nature of transaction	Total Consideration
July 26, 2023	Snehal Narendra Mehta	Sumitraben Mehta	56,500	Nil	By way of Gift	Nil
July 26, 2023	Satishkumar Kanjibhai Parmar	Amisha Satishkumar Parmar	25,000	Nil	By way of Gift	Nil

Weighted average cost of acquisition & Issue price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price* (i.e. ₹ [●])	Issue price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA^	NA^	NA^
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA^^	NA^^	NA^^

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price* (i.e. ₹ [●])	Issue price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	0.00	[●] times	[●] times

Note:

<sup>^</sup>There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Red Herring Prospectus.

<sup>^^</sup>There were no secondary sale/ acquisitions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Red Herring Prospectus.

\* To be updated at Prospectus stage.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national daily newspaper and all editions of Business Standard, a Hindi national daily newspaper and Ahmedabad edition of Ahmedabad Express , a regional newspaper each with wide circulation where the registered office of the company is situated.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above-mentioned information along with “**Our Business**”, “**Risk Factors**” and “**Restated Financial Statements**” on pages 104, 24 and 151 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “**Risk Factors**” or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
**The Board of Directors,**  
ENERGY-MISSION MACHINERIES (INDIA) LIMITED  
*(formerly known as Energy-Mission Machineries (India) Private Limited)*  
E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand Bol  
Sanand, Ahmedabad, Gujarat-382170

Dear Sir,

**Sub: Statement of Tax Benefits ('The Statement') available to ENERGY-MISSION MACHINERIES (INDIA) LIMITED ('The Company') and its shareholders under the Direct and Indirect Tax Laws in India**

We hereby report that the enclosed annexure prepared by the management of **ENERGY-MISSION MACHINERIES (INDIA) LIMITED** states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that; this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of Equity shares ("the Issue") by the Company.

We do not express any opinion or provide any assurance as to whether:

- a) The Company or its shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been/would be met.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus/ red herring Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For and on behalf of**  
**S S P J & Co.**  
**Chartered Accountants**  
**Reg. No. 018083N**  
**SD/-**  
**CA Sujata Kapila**  
**Partner**  
**M. No. 515235**  
**UDIN: 24515235BKCHGQ1547**  
**Place: Ahmedabad**  
**Date: January 03, 2024**

## **ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS**

*The information provided below sets out the special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

### **A. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

### **B. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

#### **Notes:**

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
2. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## **INDUSTRY OVERVIEW**

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

### **GLOBAL ECONOMY**

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

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

#### ***Regional prospects***

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

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

The rapid rise in interest rates in the United States poses a significant challenge to EMDEs. As the Federal Reserve has pivoted toward a more hawkish stance to rein in inflation, a substantial part of the sharp increases in U.S. interest rates since early 2022 has been driven by shocks that capture changes in perceptions of the Fed's reaction function. These reaction shocks are associated with especially adverse financial market effects in EMDEs, including a higher likelihood of experiencing a financial crisis. Their effects also appear to be more pronounced in EMDEs with greater economic vulnerabilities. These findings suggest that major central banks can alleviate adverse spillovers through proper communication that clarifies their reaction functions. They also highlight that EMDEs need to adjust macroeconomic and financial policies to mitigate the negative impact of rising global and U.S. interest rates.

#### ***Global outlook***

The global economy remains in a precarious state amid the protracted effects of the overlapping negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. The resilience that global economic activity exhibited earlier this year is expected to fade. Growth in several major economies was stronger than envisaged at the beginning of the year, with faster-than-expected economic reopening in China and resilient consumption in the United States. Nonetheless, for 2023 as a whole, global activity is projected to slow, with a pronounced deceleration in advanced economies and a sizable pickup in China (figure A). Inflation pressures persist, and the drag on growth from the ongoing monetary tightening to restore price stability is expected to peak in 2023 in many major economies. Recent banking sector stress will further tighten credit conditions. This will result in a substantial growth deceleration in the second half of this year. This slowdown will

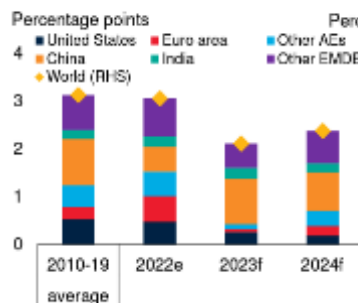
compound a period of already-subdued growth—over the first half of the 2020s (2020-2024), growth in EMDEs is expected to average just 3.4 percent, one of the weakest half-decades of the past 30 years (figure B). This slowdown reflects both cyclical dynamics and the current trend of declining global potential output growth (figure C).

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

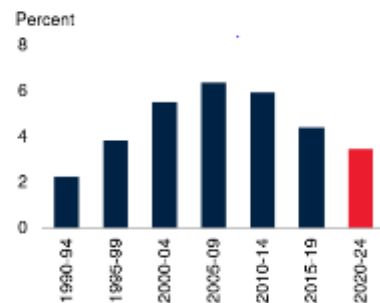
Inflation pressures persist. Although global headline inflation has been decelerating as a result of base effects, abating supply chain pressures, and falling commodity prices, core inflation in many countries remains elevated, and inflation is above target in almost all inflation-targeting economies.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

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

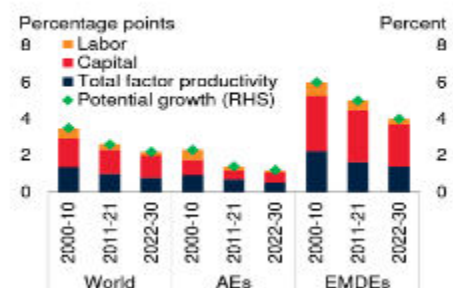
**A. Contributions to global growth**



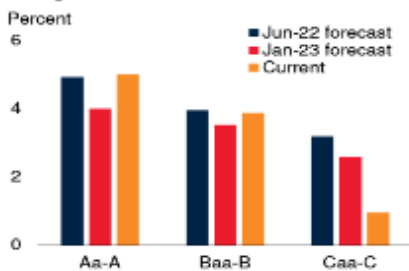
**B. Growth in EMDEs**



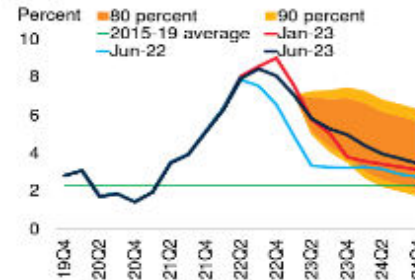
**C. Contributions to potential growth**



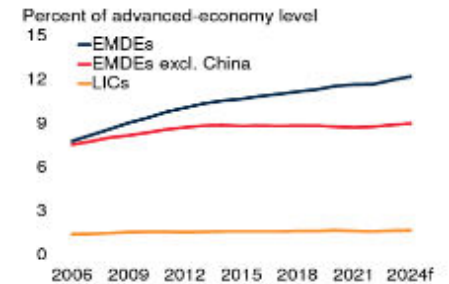
**D. EMDE growth in 2023, by credit rating**



**E. Model-based global CPI inflation projections**



**F. EMDE GDP per capita**



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

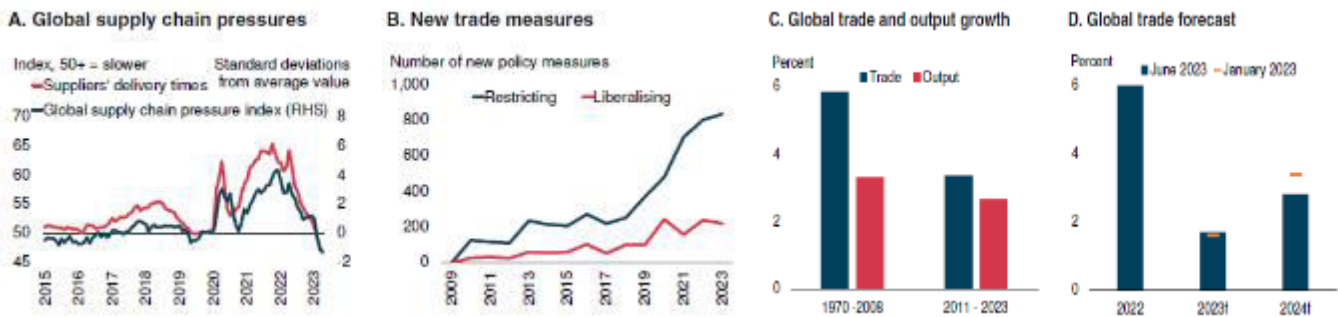
levels beyond 2024. Excluding China, EMDEs are expected to make next to no progress at closing the gap in per capita incomes with advanced economies over the forecast horizon.

### Global risks and policy challenges

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

### Global trade

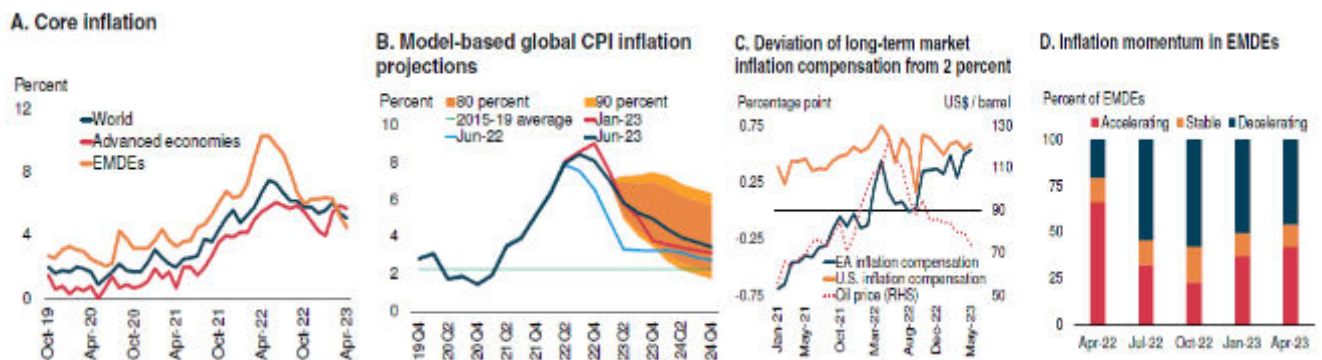
Supply chain pressures and supplier delivery times have dropped back to pre-pandemic levels as goods demand has weakened and global shipping conditions have improved. A rising number of new trade measures have been protectionist. The ongoing shift in global consumption toward less trade-intensive goods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



### Global inflation and financial developments

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

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



(Source: <https://openknowledge.worldbank.org/server/api/core/bitstreams/6e892b75-2594-4901-a036-46d0dec1e753/content>)



## INDIAN ECONOMY

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

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

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

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

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

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

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

Source: IMF

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

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

## Market Size

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

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

## Recent Developments

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

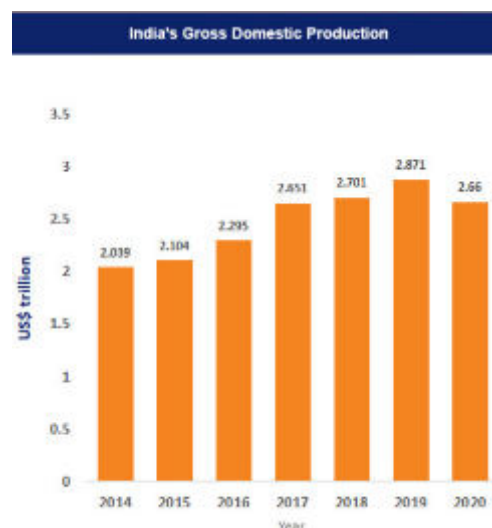
- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at ₹ 147,686 crore (US\$ 17.92 billion).
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at ₹ 58,762 crore (US\$ 7.13 billion).

## Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports.

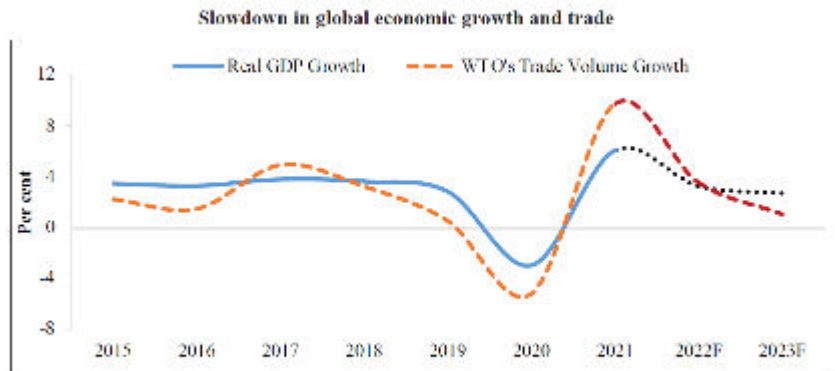
- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at ₹ 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- In August 2022, a Special Food Processing Fund of ₹ 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of ₹ 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.

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



## Growth Outlook: 2023-24

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



Source: IMF, WTO  
Note: F stands for Forecast

## Growth Magnets in this Decade (2023-2030)

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

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

## Road Ahead

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

## ENGINEERING AND CAPITAL GOODS INDUSTRY - INDUSTRY SCENARIO

India's Capital Goods manufacturing industry serves as a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer goods, amongst others. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. Capital Goods sector contributes to 12% of India's manufacturing output

and 1.8% to GDP. Market valuation of the capital goods industry was US\$ 43.2 billion in FY22. Indian Electrical equipment is the largest sub-sector followed by Plant equipment & Earth moving/ mining machinery. The electrical equipment market share in India is expected to increase by US\$ 33.74 billion from 2021 to 2025, and the market's growth momentum will accelerate at a CAGR of 9%. Investment in engineering R&D sector is expected to reach US\$ 63 billion by 2025. The Index of Industrial Production (IIP), in absolute terms, increased to 146.5 in January 2023 from 145.3 in December 2022.

The Government's 'Vision Plan 2030' proposed an action plan to become a manufacturing and export hub for construction equipment and propel the development of world-class infrastructure in the country. In FY23, the exports of engineering goods from India have been estimated to stand at US\$ 107.04 billion. In FY22, India exported engineering goods worth US\$ 111.63 billion. Cumulative engineering exports from April-November 2022 stood at US\$ 70.72 billion. Market size for the Indian Construction Equipment Market stood at US\$ 5.2 billion in FY22 and is forecasted to grow at a CAGR of 8.9% to reach US\$ 8.7 billion by 2028. The construction equipment industry is expected to sell 165,097 units by 2028. The overall exports of electronics goods in April-December 2021 stood at US\$ 11.11 billion and grew 49% as compared to FY20 with the US and the UAE being the top two destinations. In February 2021, the government had introduced the PLI scheme for manufacturing of telecom and networking equipment with an outlay of Rs 12,195 crore (US\$ 1.4 billion) over a five-year period.

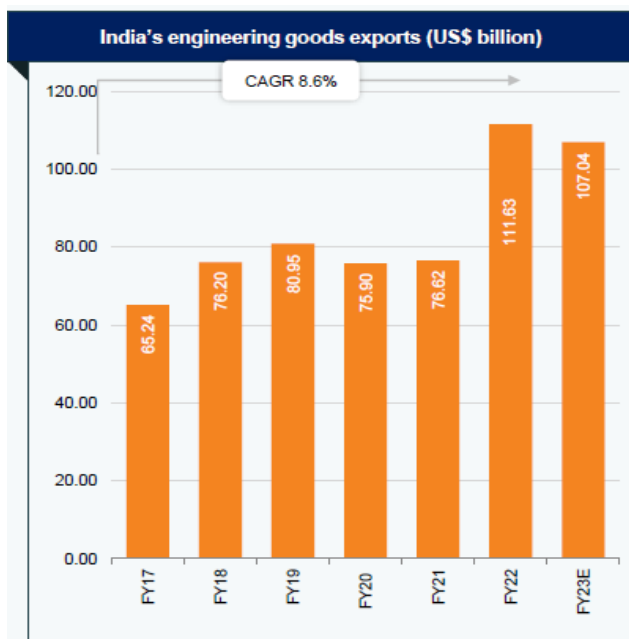
**MARKET OVERVIEW**

➤ **Machine tools**

The Indian machine tool market size reached US\$ 1.4 billion in 2022. The market is expected to reach US\$ 2.5 billion by 2028, exhibiting a growth rate (CAGR) of 9.4% during 2023-28. The manufacturers of machine tools are mostly SMEs, few of them are mid-sized manufacturers which have an annual turnover varying between US\$ 36-60 million (Rs. 300-500 crore). The types of machine tools currently manufactured are general/special purpose machines, standard Computer Numerical Control (CNC) machines, gear cutting, grinding, medium size machines, electrical discharge machining (EDM), presses, press brakes, pipe bending, rolling, bending machines, etc.

➤ **Robust growth in India's engineering export over the years**

- Engineering accounts for about 25% of India's total global exports in the goods sector and is one of the largest foreign exchange earners.
- In FY23, the exports of engineering goods from India have been estimated to stand at US\$ 107.04 billion.
- Top five export destinations which witnessed positive growth during March 2023 were Italy, Singapore, Mexico, Saudi Arabia, and Turkey.
- In FY22, India exported engineering goods worth US\$ 111.63 billion, a 45.51% YoY growth.
- Cumulative engineering exports for April-December 2022-23 stood at US\$ 79.83 billion.
- In December 2022, exports of engineering goods from India stood at US\$ 9.08 billion.
- India's engineering goods are exported to key markets such as the US, Europe, and China.
- The value of shipments to the US, the top market for India's engineering goods, stood at US\$ 1.58 billion in December 2022
- Engineering exports to China stood at US\$ 233.2 million whereas to the European Union (EU) it stood at US\$ 1.54 billion in December 2022.
- Export of engineering goods is expected to reach US\$ 200 billion by 2030.



- The engineering industry in Gujarat reported exports worth US\$ 25 billion contributing around 36% of the India's engineering exports.

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

## RECENT TRENDS AND STRATEGIES

### ➤ *Notable trends in the industry*

#### ▪ **Diversification**

Creation of a significant number of special economic zones (SEZs) across the country has been approved. The development of Delhi Mumbai Industrial Corridor (DMIC) across seven states will further bolster the engineering sector. Reliance Defense and Engineering Ltd has signed an agreement with the US Navy for undertaking service, maintenance and repair of Seventh Fleet of US Navy at the Reliance Shipyard at Pipavav in Gujarat.

#### ▪ **Entry of international companies**

With 100% FDI allowed through the automatic route, major international players such as Cummins, GE, ABB and Alfa Laval have entered the Indian engineering sector due to growth opportunities. American plane maker Boeing Corporation has launched the Boeing India Engineering & Technology Centre in Bengaluru.

#### ▪ **Partnership**

Companies across this sector are partnering with technology providers to enhance their capabilities and sustain the market uncertainties. In November 2022, L&T Infotech and Mindtree merged to make India's 5th largest IT company, LTI Mindtree, that will help businesses proactively take on and shape the future by harnessing the full power of digital technologies. In February 2023, Reliance Industries Limited (RIL) and its vehicle partner Ashok Leyland unveiled India's first Hydrogen Internal Combustion Engine (H2-ICE) technology solution for heavy duty trucks at the India Energy Week in Bengaluru. State-run PSUs Nuclear Power Corporation of India Ltd (NPCIL) and Bharat Heavy Electricals Ltd (BHEL) have signed a memorandum of understanding (MoU) in April, 2023 to jointly pursue business opportunities in the area of Nuclear Power Plants based on Pressurized Heavy Water Reactor (PHWR) technology.

### ➤ *Strategies adopted*

#### ▪ **Demonstrate capabilities**

In January 2023, Bharat Heavy Electricals Ltd (BHEL) bagged the order for renovation and modernization of 200 MW Unit-3 and 210 MW Unit-5 steam turbines at Ukai thermal power station in Gujarat. ABB India can utilize around Rs. 1,800 crore (US\$ 217.2 million) of its cash balance for inorganic growth or acquisitions apart from organic expansion plan. The Ministry of Heavy Industries, in March 2023, sanctioned Rs. 800 crore (US\$ 97.3 million) under FAME India Scheme Phase-II to three PSU oil marketing companies (OMC) for setting up 7,432 public fast charging EV stations across the country.

#### ▪ **Operational efficiency**

Making process changes — including the adjustment of a company's physical footprint, outsourcing or offshoring of particular processes, changes to organizational structure — can help increase efficiency. Strong analytical capacity will allow companies to slice and dice their operational data, identifying opportunities to make operations more efficient — such as workforce planning.

#### ▪ **Acquisitions**

In January 2023, L&T Technology Services Limited announced to acquire the Smart World & Communication (SWC) Business of L&T, to combine synergies and take offerings in Next-Gen Communications, Sustainable Spaces and Cybersecurity to the global market.

#### ▪ **Skill improvement**

To increase the employability of engineering graduates in the country, AICTE (All India council of Technical education) leadership is taking a lot of efforts and recommends model curriculum for engineering programs like AI, IoT, Robotics, Block chain, Machine learning, Data Science and Cyber security.

In October 2022, NSIC Signs MoU with Phillips Machine Tools India Pvt. Ltd. for Skill Development Training in Additive

Technologies which is the future of manufacturing. In June 2022: Ministry of Heavy Industries (MHI) and Ministry of Skill Development and Entrepreneurship (MSDE) signed a MoU to facilitate training in engineering trades to boost capital goods sector. In May 2022, MHI signs a MoU with National Research Development Corporation to facilitate various activities for smooth implementation of the Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector.

- **PSU stake sale**

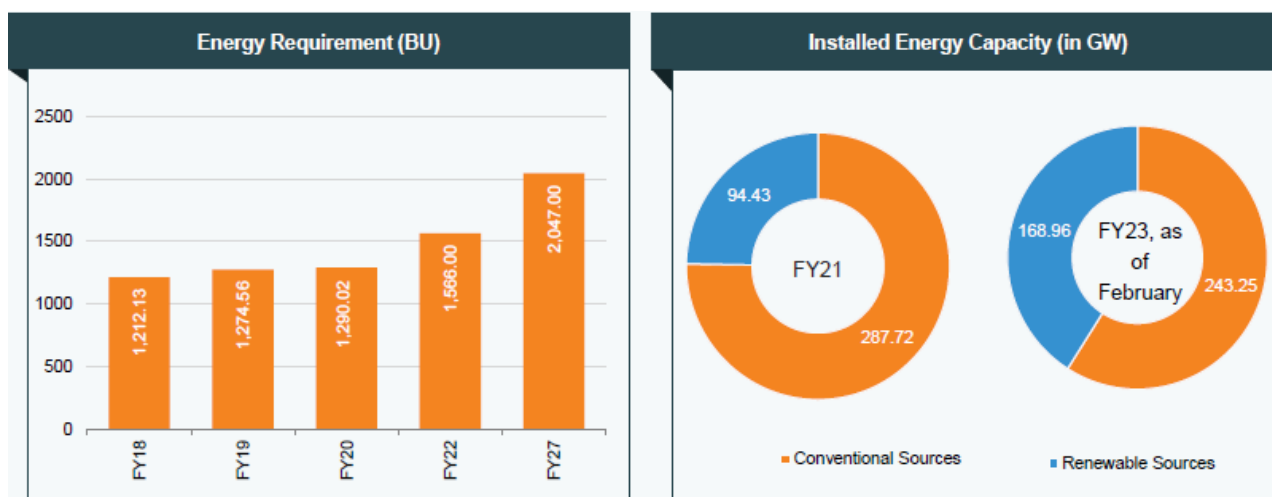
In 2021, the government is pursuing strategic sale in 22 PSU firms of which 17 are ongoing transactions including BPCL, Shipping Corporation of India, Concor and BEML.

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

## GROWTH DRIVERS

- *Capacity augmentation boosts demand*

- India's power generation target is estimated to be 1,750 BUs in FY24, up from 1,624.15 BUs of actual generation in FY23.
- The total power consumption in India is 127.39 billion units as of September 2022.
- The growing energy requirement will require enhancement of installed power capacity.



- The installed power capacity in India is around 408.72 GW as of November 2022.
- Industrial sector is the largest consumer of energy consuming about 50% of the total commercial energy produced in the country followed by the transport sector.

- *Infrastructure, one of the key demand drivers for machinery*

- In budget 2023-24, Ministry of Railways received its highest-ever allocation of Rs. 2.4 lakh crore (US\$ 28.9 billion), approximately nine times the allocation in 2013-14.
- In budget 2023-24, Ministry of Road Transport and Highways saw a 36% increase in its budget to about Rs. 2.7 lakh crore (US\$ 32.5 billion).
- The government launched the National Infrastructure Pipeline (NIP) with a forward-looking approach and with a projected infrastructure investment of around Rs. 111 lakh crore (US\$ 1.3 trillion), during FY20-25 to provide high quality infrastructure across the country.
- The NIP currently has 8,964 projects with a total investment of more than Rs. 108 lakh crore (US\$ 1.3 trillion) under different stages of implementation.
- Increase in the construction of National Highways (NHs)/roads over time, with 10,457 km of roads constructed in FY22 as compared to 6,061 km in FY16.

- Total budgetary support for investment in the sector has been increasing rapidly in the last four years and stood at around Rs. 1.4 lakh crore (US\$ 16.8 billion) during FY23 (as of 31 October, 2022).
- In line with the vision of monetisation of public sector assets, National Highways Authority of India (NHAI) launched its InvIT in FY22.
- NHAI InvIT has raised more than Rs. 10,200 crore (US\$ 1.2 billion) from high quality foreign and Indian institutional investors (up to December 2022).
- India has one of the largest road networks (5.48 million kms) comprising expressways, national, state highways, district and village roads.
- India plans to spend US\$ 1.4 trillion on infrastructure between 2019-2023 which is predicted to boost the expansive growth of the sector.
- The Ministry of Road Transport and Highways plans to construct around 28,391 km of highways in 25 months at a daily average of around 38 km, starting from March 2022 to the end of the financial year 2023-24.
- India's national highway network grew by nearly 48% from 97,830 km in 2014-15 to 144,634 km at the end of November, 2022. The pace increased from 12.1 km a day in 2014-15 to 28.6 km per day in FY22.
- Increasing construction of roads and highways all over the country as a source of development in the state is further responsible for the future growth of the India construction market in the upcoming five years
- The Infrastructure Supporting Industries Index (part of the wider Index of Industrial Production) comprises eight core industries, such as coal, crude oil, natural gas, petroleum refinery products, fertilisers, steel, cement and electricity. This index stood at 142.8 in FY23\*.

(Note: \* - April-September 2022)

➤ **Strong policy support crucial for the sector**

▪ **Make in India**

Shri Dharmendra Pradhan, Minister of Skill Development and Entrepreneurship and Education, said growth of capital goods sector is correlated to the success of Make in India program.

▪ **Special Economic Zones (SEZs)**

The government approved 15 SEZs for the engineering sector, & electrical machinery is a part of the sector. The Delhi Mumbai Industrial Corridor (DMIC) is being developed across seven states and is expected to bolster the sector.

▪ **Infra Projects**

Top infra projects that are underway includes Chenab Bridge, Delhi Mumbai Expressway, Central Vista, Eastern Dedicated Freight Corridor, Mumbai Nagpur Expressway, and Kochi Water Metro.

▪ **Tariffs and custom duties**

In budget 2023, customs duty exemption is being provided to import of specified capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles and mobile handsets.

▪ **De-licensing**

The electrical machinery industry has been de-licensed, along with 100% FDI allowed in this sector. This has facilitated the entry of major global players into the electrical machinery industry in India.

▪ **Budgetary support**

Under the Union Budget 2023-24, Government has committed an outlay of Rs. 10 lakh crore (US\$ 120 billion) towards infrastructure capital expenditure compared to Rs. 7.5 lakh crore (US\$ 90 billion) (BE) during 2022–23, which is a 33% year-on-year increase.

- **Higher allocation to the defence sector**

Under Union Budget 2023-24, defence sector has been allocated a budget of Rs. 5.94 lakh crore (US\$ 72 billion).

- **Investment on building internal and external infrastructure in Smart Cities**

In February 2022, the Prime Minister inaugurated Asia’s largest bio-CNG plant set up under the Indore Smart City Project.

- **Interministerial committee**

In November 2020, to strengthen the capital goods (CG) sector, the government set up a 22-member Interministerial committee through initiatives, which will help the sector to effectively contribute to the national target of achieving a US\$ 5 trillion economy and a US\$ 1 trillion manufacturing sector.

- **New Engineering Research & Development Policy**

In March 2021, the Karnataka government launched the ‘Karnataka Engineering Research & Development (Engineering R&D) Policy 2021’ to help anchor the sector’s potential by creating 50,000 new jobs and increasing the state’s contribution to this sector to 45%.

- **Voluntary Vehicle-Fleet Modernisation Programme (VVMP)**

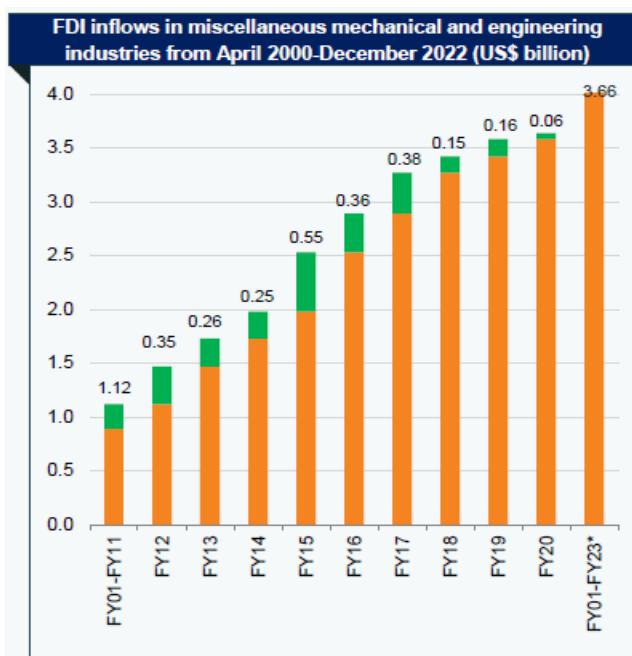
The objectives of the policy are to reduce population of old and defective vehicles, achieve reduction in vehicular air pollutants to fulfil India’s climate commitments, improve road and vehicular safety, achieve better fuel efficiency, formalize the currently informal vehicle scrapping industry and boost availability of low-cost raw materials for automotive, steel and electronics industry. The policy will bring in investments of Rs. 10,000 crore (US\$ 1.35 billion) to set up 450-500 Automated Testing Stations (ATS) and 60-70 Registered Vehicle Scrapping Facilities (RVSF) across the country. The policy has proposed to push 28 million decade old vehicles off the roads.

- **New export policy in Uttar Pradesh**

Export policy is being established for the State of Uttar Pradesh to tap onto opportunities in international market, optimum utilization of the resources of the state, employment generation and to synergize with the Foreign Trade Policy 2020-25. The objective of this policy is to promote development and competition in the field of exports, to provide necessary export-related assistance and services to export ancillary institutions, to establish and develop technical and physical infrastructure to increase exports from the state.

- **Production Linked Incentive Schemes**

The Ministry of Heavy Industries (MHI) launched two Production Linked Incentive (PLI) Schemes, namely PLI Scheme for Automobile and Auto Component Industry, and PLI Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage. The PLI Scheme for the automobile and auto components industry has been launched with a total budgetary outlay of Rs. 25,938 crore (US\$ 3.17 billion) for a period of five years (FY23 to FY27).



- **Inflow of foreign investment**

- Total foreign direct investment (FDI) inflow to India stood at US\$ 36.74 billion during April-December 2022.



- FDI inflow for miscellaneous mechanical and engineering industries stood at US\$ 4.18 billion between April 2000-December 2022.
- FDI inflow depends on a host of factors such as availability of natural resource, market size, infrastructure, political and general investment climate as well as macro-economic stability and investment decision of foreign investors.
- The Government reviews the FDI policy on an ongoing basis and makes significant changes from time to time, to ensure that India remains attractive and investor friendly destination.
- To further liberalize and simplify FDI policy for providing Ease of doing business and attract investments, reforms have been undertaken recently across sectors such as Coal Mining, Contract Manufacturing, Digital Media, Single Brand Retail Trading, Civil Aviation, Defence, Insurance and Telecom.

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

## OPPORTUNITIES

### ➤ *Growth opportunities in the engineering sector*

#### ▪ **Defence sector**

Under Union Budget 2023-24, defence sector has been allocated a budget of Rs. 5.94 lakh crore (US\$ 72 billion). In 2023, Defence Minister of India has called upon Indian and global industry leaders to support the government's endeavor to design, develop and manufacture cutting-edge products, using critical technologies within India to attain complete 'Aatmanirbharta' in defence. The vision of the government is to achieve a turnover of US\$ 25 billion including export of US\$ 5 billion in Aerospace and Defence goods and services by 2025.

Ministry of Defence has also notified three 'Positive Indigenisation lists' comprising of 310 defence equipment to be manufactured locally. With the notification of 164 additional items, the total number of indigenised items till December 2022 from 'Positive Indigenisation Lists' of the Department of Defence Production DDP stands at 2,736, worth an import substitution value of Rs. 2,570 crore (US\$ 312.5 million). The government has also announced two dedicated Defence Industrial Corridors in the States of Tamil Nadu and Uttar Pradesh to act as clusters of defence manufacturing that leverage existing infrastructure, and human capital.

#### ▪ **Auto components**

According to the Automotive Component Manufacturers Association of India, India's auto component industry is projected to grow 10-15% annually till FY24. In December 2022, Spark Minda inaugurated 28th automotive component manufacturing plant in India. In December 2022, Honda Cars India has announced a tie-up with Maruti Suzuki Toyotsu India (MSTI), to offer vehicle scrapping services to its customers through its dealer network. In November 2022, ARAI, Ansys signs MoU for research in emerging automotive technologies. PLI schemes in automobile and auto component sector with financial outlay of Rs. 25,938 crore (US\$ 3.49 billion) introduced under Atmanirbhar Bharat 3.0.

#### ▪ **Civil nuclear sector**

India's installed nuclear power capacity of 6,780 MW will increase to 22,480 MW by 2031 on progressive completion of projects under construction and accorded sanction. India will triple its present installed nuclear power generation capacity in the next 10 years.

#### ▪ **Power transmission and distribution (T&D)**

T&D expenditure is set to increase on growth in power generation and privatisation of distribution. By 2030, India has plans to invest US\$ 34.2 billion to set up an interstate transmission network (ISTS) in order to evacuate renewable energy.

#### ▪ **Machine tools**

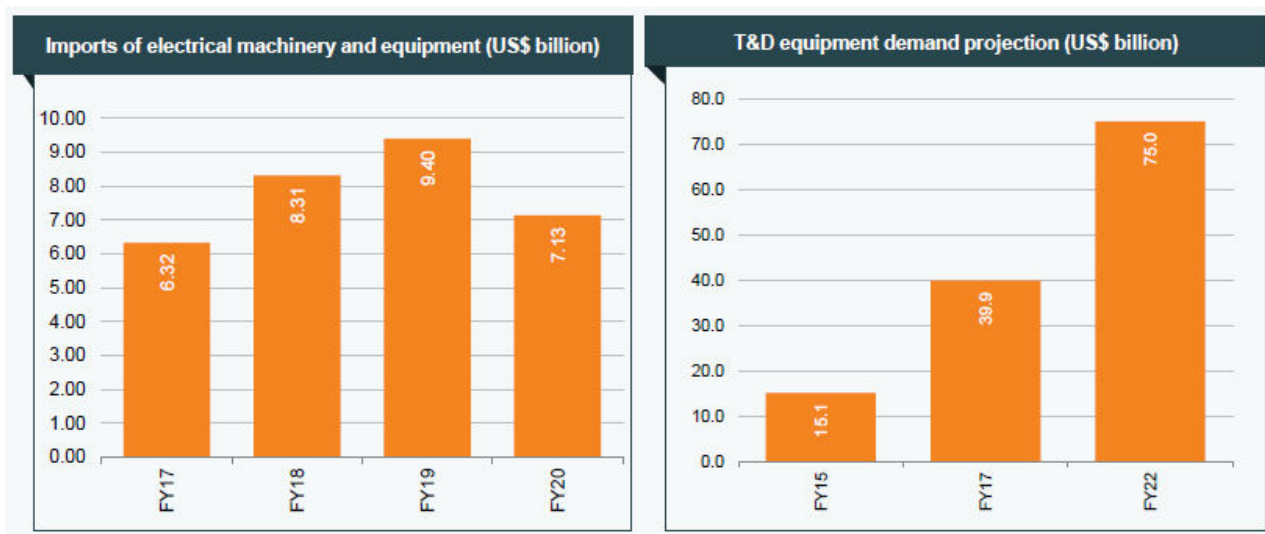
The Indian machine tools market size reached US\$ 1.4 billion in 2022 and is expected to reach US\$ 2.5 billion by 2028, exhibiting a growth rate (CAGR) of 9.4% during 2023-28. The growing prominence of automation across numerous manufacturing processes, to enhance their productivity and meet quality standards, is currently driving the India machine tools market.

- **Material handling equipment**

The Indian automated material handling (AMH) market was valued at US\$ 1,353.8 million in 2020 and is expected to go up to US\$ 2,739.34 million by 2026 at a CAGR of 12.7%. The Indian material handling sector has observed a momentous growth in recent years due to rising investment in infrastructure development, increased demand for higher automation, and safe working practices in the manufacturing area.

- **Rising demand for electrical equipment**

- Imports of Electrical Machinery in India increased to US\$ 16.1 billion in 2021.
- The Indian electrical equipment industry comprises of two broad segments, Generation equipment (boilers, turbines, generators) and Transmission & Distribution (T&D) and allied equipment like transformers, cables, transmission lines, etc.
- The sector contributes about 8% to the manufacturing sector in terms of value, and 1.5% to overall GDP.
- Incentives for capacity addition in power generation will further increase the demand for electrical machinery.



- The electrical equipment market share in India is expected to increase by US\$ 33.74 billion from 2021-25 at a CAGR of 9%.
- Domestic electrical equipment market is expected to grow at an annual rate of 12% to reach US\$ 72 billion by 2025.
- In FY21, India's heavy electrical equipment production stood at Rs. 168,949 crore (US\$ 21.15 billion).
- Production of generation equipment (boilers, turbines and generators) in India is estimated to be around US\$ 5.7 billion by 2022.
- The electrical machinery/equipment segment grew nearly 90% with shipments jumping to Rs. 13,606 crore (US\$ 1.6 billion) in the April-July 2022 from Rs. 7,202 crore (US\$ 869 million) in the year-ago period.

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

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Energy-Mission Machineries (India) Limited. In this Section, unless otherwise stipulated, all references to ‘machines’ are to ‘metal forming machines’.*

*All financial information included herein is based on our “Financial information of the Company” included on page 151 of this Red Herring Prospectus.*

### OVERVIEW

Incorporated in 2011, we design and manufacture CNC, NC and conventional metal forming machines which caters to the industrial sector requirement for metal fabrication solutions. Our wide spectrum of metal forming machines includes press brake machines, shearing machines, plate rolling machines, iron workers machines, hydraulic presses and busbar bending, cutting & punching machine. Through our array of products, we provide manufacturers with vital precision machines which are required for metal cutting and forming operations. Our machines are utilized across a wide gamut of industries such as automotive, steel, pre-engineered building, furniture, HVAC, agricultural equipments, road construction equipments, elevators, food processing machinery, metalworking workshops and many others.

We offer over 600 variants of metal forming machines and during the last 3 Fiscals and the nine months period i.e. Apr.'23 to Dec.'23, our Company has supplied 1657 machines to over 1150 customers. During the last 3 Fiscals and the nine months period i.e. Apr.'23 to Dec.'23, we have sold our products in India and several other countries across the globe which include USA, Switzerland, Russia, Nepal, Kenya, Uganda, UAE, Saudi Arabia and other Middle east countries. We also provide machinery tools and spare parts such as Die punch, Shearing Blade, Roller Set, Holding Spring, Limit Switch, Foot Switch, Seal Kit, Linear Scale etc. which also aids in addressing after-sales support and services. As on March 31, 2024, our sales & marketing team comprised of 29 employees managing the designated regions within India. Our Sales team is also backed by an after-sales service team of 22 employees who provide our customers with access to maintenance services and spare parts and respond to the customer grievances.

For the Fiscal 2023, we have sold 500 machines to over 400 customers. Our ability to provide wide range of machines has helped us garner customers engaged in various sectors such as metal fabrication, pre-engineered building, agriculture, kitchen equipments, machinery manufacturing, automotive, food processing, furniture, HVAC, elevators, steel etc. Further, in F.Y. 2022-23, we have successfully sold our hydraulic shearing machine to CERN which is the European Organization for Nuclear Research based in Geneva, Switzerland.

We operate through our manufacturing facility in Sanand (District - Ahmedabad), which is situated on a vast land area of over 18,234 sq. mtrs and is equipped with capabilities to design, develop and manufacture our product portfolio. Our manufacturing facility has obtained ISO 9001:2015 certification and as on December 31, 2023, we have the capacity to manufacture 900 machines p.a. Our manufacturing operations comprise, in addition, to our production lines, CNC Plasma cutting shop, machine shop, heavy fabrication shop, hydraulic Cylinder Shop, hydraulic power pack shop, Electrical Panel wiring, sheet metal shop, shot blasting chamber, paint booth chamber, assembly lines and testing facilities.

Our manufacturing operations comprise, in addition, to our production lines, CNC Plasma cutting shop, machine shop, heavy fabrication shop, hydraulic Cylinder Shop, hydraulic power pack shop, Electrical Panel wiring, sheet metal shop, shot blasting chamber, paint booth chamber, assembly lines and testing facilities. We also outsource certain proportion of our production process relating to zinc plating, powder coating, cylindrical grinding, hard chrome plating, hardening, honing etc. to third parties job workers. During the 9 months period ended December 31, 2023 and for the last 2 Fiscals 2023 and 2022, our job work expenses were ₹ 462.42 lakhs, 547.20 lakhs and 473.85 lakhs, constituting 6.22%, 6.04% and 6.36%, respectively, of our total expenses.

We are backed by a strong design and development team consisting of 9 employees as on March 31, 2024. Design & Development is a key element of our ability to offer customized products to our customers. It is also a critical aspect of product development, and is integral to our process optimisation which ensures that we continue to fulfil the customized demand of clients across diverse industries. The design and development software used by the team include Cadmate and SolidEdge. Our Company has recently launched four roll machines at IMTEX 2024 in Bangalore. Further, we have recently developed an automated material handling system, which can be integrated with the CNC machines, as per the customer's requirement, through which the material can be fed automatically in the machine.

Our Company was founded by Satishkumar Kanjibhai Parmar and Dineshkumar Shankarlal Chaudhary in Jan.' 2011. Later, in April 2011, Ashokkumar Ramjibhai Panchal, Sanjay Shantukumar Khankar and Snehal Narendra Mehta joined the Company. Our sustainable growth in business has been achieved through our founders-led management team with relevant educational qualifications and complementary skill sets. Our promoters have been the driving force in developing and growing our business. Their understanding of the consumer difficulty, intuitive entrepreneurship and involvement in key aspects of our business has helped accelerate and drive our profitable growth. Our existing promoters are complemented by a professional management team which shares the same vision and values as theirs to drive our growth. We have been awarded with Best Enterprise Award in 2022 by IFCI Venture Capital Funds Ltd. Also, one of our Promoter & Director, Mr. Satishkumar Kanjibhai Parmar has got a National Award from Ministry of MSME, Government of India for Outstanding Entrepreneurship (Mfg.) in Small Enterprises in 2014.

**Key performance indicators of our Company:-**

*(₹ In Lakhs except percentages and ratios)*

<b>Key Financial Performance</b>	<b>Apr 23 – Dec 23</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>
Revenue from operations <sup>(1)</sup>	8328.48	9956.34	7835.27	4761.27
EBITDA <sup>(2)</sup>	1271.26	1360.64	795.91	450.66
EBITDA Margin <sup>(3)</sup>	15.26%	13.67%	10.16%	9.47%
PAT <sup>(4)</sup>	674.80	790.01	336.17	95.33
PAT Margin <sup>(5)</sup>	8.10%	7.93%	4.29%	2.00%
RoE (%) <sup>(6)</sup>	25.08% (not annualized)	40.35%	24.10%	7.89%
RoCE (%) <sup>(7)</sup>	21.86% (not annualized)	28.08%	17.15%	10.12%

**Notes:**

<sup>(1)</sup>Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income

<sup>(3)</sup>'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

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

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Share holders Fund + Long term borrowing + Short term borrowing.

**Our Competitive Strengths**

***Well diversified customer base spread across various industries and geography***

During the last 3 Fiscals and the nine months period i.e. Apr.'23 to Dec.'23, our Company has supplied 1657 machines to over 1150 customers. We have sold our products in India and several other countries across the globe which include USA, Switzerland, Russia, Nepal, Kenya, Uganda, UAE, Saudi Arabia and other Middle east countries. For the nine months period ended Dec.'23, our revenue from sale of products and services were Rs. 82.79 crores of which approximately 93.15% of the revenue were from domestic markets and 6.85% from international markets which included USA, UAE, Saudi Arabia, Oman and Nepal. In India, during the same period, we have sold our products to over 20 states and 2 union territories including Maharashtra, Gujarat, Karnataka, Tamil Nadu, West Bengal, Telangana, Haryana, Madhya Pradesh, Chhattisgarh, Rajasthan, Andhra Pradesh, Uttar Pradesh, Punjab, Jharkhand, Kerala, Bihar, Odisha, Assam, Meghalaya, Delhi, Dadar & Nagar Haveli.

Our diverse customer base encompasses a wide array of industries such as metal fabrication, pre-engineered building, agriculture equipments, kitchen equipments, machinery manufacturing, automotive, food processing, furniture, HVAC, elevators, steel etc.

***Varied product range appealing to a diverse customer base***

We offer over 600 variants of metal forming machines and during the last 3 Fiscals and the five months period i.e. Apr.'23 to Dec.'23, our Company has supplied 1657 machines to over 1150 customers. Our wide spectrum of metal forming machines includes press brake machines, shearing machines, plate rolling machines, iron workers machines, hydraulic presses and busbars which are required for metal cutting and forming operations. We also provide machinery tools and spare parts such as Die punch, Shearing Blade, Roller Set, Holding Spring, Limit Switch, Holding Seal Set, Guide Plate, Bush Pin, Linear Scale etc. We believe that having a wider portfolio of products enables us to reach to a diverse range of customers engaged in varied sectors and also allows us to efficiently compete with other players in the industry.

The following table sets forth information on our product mix in terms of revenue contribution in the periods indicated:

(Rs. in lakhs)

Category	Apr-Dec'23	%*	F.Y. 2022-23	%*	F.Y. 2021-22	%*	F.Y. 2020-21	%*
<b>Press Brake Machine</b>								
Hydraulic CNC Press Brake Machine	5452.21	65.86%	6707.43	67.74%	4268.19	54.70%	2279.36	48.06%
Hydraulic NC Press Brake Machine	383.28	4.63%	529.03	5.34%	498	6.38%	354.53	7.48%
Hydraulic Press Brake Machine	383.69	4.63%	529.73	5.35%	562.34	7.21%	320.51	6.76%
Others			-	-	88.6	1.14%	-	
<b>Total</b>	<b>6219.18</b>	<b>75.12%</b>	<b>7766.2</b>	<b>78.43%</b>	<b>5417.13</b>	<b>69.42%</b>	<b>2954.4</b>	<b>62.30%</b>
<b>Shearing Machine</b>								
Hydraulic Shearing Machine	592.41	7.16%	777.77	7.86%	848.52	10.87%	722.39	15.23%
Hydraulic NC Shearing Machine	682.78	8.25%	491.4	4.96%	707.22	9.06%	415.5	8.76%
<b>Total</b>	<b>1275.18</b>	<b>15.40%</b>	<b>1269.17</b>	<b>12.82%</b>	<b>1555.74</b>	<b>19.94%</b>	<b>1137.89</b>	<b>23.99%</b>
<b>Plate Rolling Machine</b>								
Hydraulic plate rolling Machine	116.90	1.41%	220.69	2.23%	92.80	1.19%	146.24	3.08%
<b>Total</b>	<b>116.90</b>	<b>1.41%</b>	<b>220.69</b>	<b>2.23%</b>	<b>92.80</b>	<b>1.19%</b>	<b>146.24</b>	<b>3.08%</b>
<b>Busbar Machine</b>								
Hydraulic busbar Machine	31.35	0.38%	49.37	0.50%	115.14	1.48%	82.93	1.75%
<b>Total</b>	<b>31.35</b>	<b>0.38%</b>	<b>49.37</b>	<b>0.50%</b>	<b>115.14</b>	<b>1.48%</b>	<b>82.93</b>	<b>1.75%</b>
<b>Press Machine</b>								
Hydraulic press Machine	108.32	1.31%	58.76	0.59%	218.08	2.79%	131.66	2.78%
<b>Total</b>	<b>108.32</b>	<b>1.31%</b>	<b>58.76</b>	<b>0.59%</b>	<b>218.08</b>	<b>2.79%</b>	<b>131.66</b>	<b>2.78%</b>
<b>Iron Worker Machine</b>								
Hydraulic Iron Worker (Sigma) Machine	57.08	0.69%	63.58	0.64%	68.09	0.87%	83.1	1.75%
<b>Total</b>	<b>57.08</b>	<b>0.69%</b>	<b>63.58</b>	<b>0.64%</b>	<b>68.09</b>	<b>0.87%</b>	<b>83.1</b>	<b>1.75%</b>
<b>Components and spare parts</b>								
Various items	433.14	5.23%	438.56	4.43%	319.08	4.09%	196.71	4.15%
<b>Total</b>	<b>433.14</b>	<b>5.23%</b>	<b>438.56</b>	<b>4.43%</b>	<b>319.08</b>	<b>4.09%</b>	<b>196.71</b>	<b>4.15%</b>
<b>Maintenance Services</b>								
Maintenance Services	37.86	0.46%	35.15	0.35%	17.06	0.22%	9.58	0.20%
<b>Total</b>	<b>37.86</b>	<b>0.46%</b>	<b>35.15</b>	<b>0.35%</b>	<b>17.06</b>	<b>0.22%</b>	<b>9.58</b>	<b>0.20%</b>
<b>Grand Total</b>	<b>8279.01</b>	<b>100.00%</b>	<b>9901.48</b>	<b>100%</b>	<b>7803.12</b>	<b>100%</b>	<b>4742.51</b>	<b>100%</b>

\*percentage is calculated on revenue from operations

#### ***In-house manufacturing facility***

We presently carry all our manufacturing operations through our manufacturing facility located in Sanand (District - Ahmedabad), which is situated on a vast land area of over 18,234 sq. mtrs and is equipped with capabilities to design, develop

and manufacture our product portfolio. Our manufacturing operations comprise, in addition, to our production lines, CNC Plasma cutting shop, machine shop, heavy fabrication shop, hydraulic Cylinder Shop, hydraulic power pack shop, Electrical Panel wiring, sheet metal shop, shot blasting chamber, paint booth chamber, assembly lines and testing facilities. The in-house manufacturing operations enable us to stream line inventory management and production process resulting into maintenance of high-quality production standards, minimizing production time and bringing cost effectiveness.

### ***Stringent quality control mechanism ensuring standardized product quality***

Our manufacturing facility has obtained ISO 9001:2015 certification and as on December 31, 2023, we have the capacity to manufacture 900 machines p.a. We employ an extensive and stringent quality control mechanism during the manufacturing of our products which includes tests such as surface roughness testing, hardness testing, straightness testing, coating thickness, noise level measurement, oil contamination testing, final product trial runs etc. that are required to ensure that our finished product conforms with the standard quality. We believe that our focus on quality of products has enabled us to sustain and grow our business model to benefit our customers.

### ***Experienced Promoters with strong management team having domain knowledge***

Our sustainable growth in business has been achieved through our founders-led management team with relevant educational qualifications and complementary skill sets. We have an experienced management team led by our Promoters, Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal and Snehal Narendra Mehta who have vast experience in the machine industry and we benefit immensely from their expertise. Our promoters, Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary and Ashokkumar Ramjibhai Panchal are actively involved in the day-to-day management of our Company. We are also supported with adequate technical and commercial team having relevant experience of the industry which helps us to achieve the organizational goals. We believe that our management team's experience and their understanding of the machine industry will enable us to continue to take advantage of both current and future market opportunities.

### **Our Business Strategies**

#### ***Continue to invest in our technological capabilities***

Our Company intends to enhance its existing manufacturing capabilities through investment in additional plant & machineries such as Fixed Double Column Machining Centre, VMC's, Lathe machines, goliath cranes etc. We'll also expand our existing manufacturing unit by construction of additional shed and utilize the existing unused floor space, which will enhance our production capacity. In addition, we plan to construct administration building at our existing manufacturing unit. For details, please refer to the chapter "***Objects of the Issue***" on page 74 of this DRHP. We intend to utilize net issue proceeds of Rs. 686.40 lakhs towards civil construction work at our existing manufacturing unit located at Sanand, District Ahmedabad, Gujarat and Rs. 742.93 lakhs to meet capital expenditure in relation to additional plant & machineries. Thus, going forward, we intend to continue making investment in modernization of our equipment and facilities.

#### ***Expand our domestic and international presence***

Currently, we market our products to around 20 states & two Union Territories in India of which majority portion of the revenue comes from the state of Maharashtra, Gujarat and Karnataka. The following table sets forth the bifurcation of revenue (Geographical-wise) for the nine months period ended Dec.'23 and Fiscal 2023, 2022 and 2021:

Category	Apr-Dec'23	% of revenue from operations	F.Y. 2022-23	% of revenue from operations	F.Y. 2021-22	% of revenue from operations	F.Y. 2020-21	% of revenue from operations
<b>Domestic (A)</b>								
Gujarat	1416.88	17.11%	1967.79	19.87%	1610.47	20.64%	1462.75	30.84%
Maharashtra	1977.02	23.88%	1780.46	17.98%	1777.66	22.78%	981.38	20.69%
Karnataka	799.17	9.65%	1073.10	10.84%	617.21	7.91%	557.94	11.76%
Tamil Nadu	522.87	6.32%	835.53	8.44%	799.71	10.25%	624.85	13.18%
West Bengal	322.91	3.90%	91.98	0.93%	97.54	1.25%	40.59	0.86%
Telangana	419.36	5.07%	693.18	7.00%	506.63	6.49%	133.74	2.82%
Haryana	492.6	5.95%	953.82	9.63%	466.89	5.98%	227.2	4.79%
Madhya Pradesh	278.25	3.36%	84.55	0.85%	178.71	2.29%	44.58	0.94%
Chhattisgarh	177.67	2.15%	58.99	0.60%	49.92	0.64%	5.79	0.12%
Rajasthan	228.71	2.76%	276.85	2.80%	184.33	2.36%	148.88	3.14%
Andhra Pradesh	225.6	2.72%	208.96	2.11%	154.29	1.98%	93.96	1.98%

Uttar Pradesh	329.13	3.98%	447.60	4.52%	253.14	3.24%	157.3	3.32%
Punjab	80.33	0.97%	148.72	1.50%	195.65	2.51%	39.81	0.84%
Delhi	154.24	1.86%	355.10	3.59%	242.62	3.11%	34.21	0.72%
Jharkhand	68.07	0.82%	181.64	1.83%	72.75	0.93%	0.13	0.00%
Others*	218.76	2.65%	608.68	6.15%	458.40	5.88%	103.90	2.19%
<b>Total (A)</b>	<b>7711.57</b>	<b>93.15%</b>	<b>9766.94</b>	<b>98.64%</b>	<b>7665.92</b>	<b>98.25%</b>	<b>4657.01</b>	<b>98.20%</b>
<b>International (B)</b>								
USA	255.20	3.08%	-	-	-	-	-	-
Nepal	96.20	1.16%	34.90	0.35%	40.63	0.52%	51.94	1.10%
Saudi Arabia	81.55	0.99%	-	-	-	-	-	-
UAE	74.35	0.90%	-	-	18.12	0.23%	31.32	0.66%
Muscat	13.91	0.17%	-	-	-	-	-	-
Russia	-	-	63.56	0.64%	-	-	-	-
Uganda	-	-	-	-	24.09	0.31%	-	-
Qatar	-	-	18.03	0.18%	-	-	-	-
Bhutan	-	-	-	-	13.45	0.17%	-	-
Geneva	23.54	0.28%	17.81	0.18%	-	-	-	-
Jordan							2.24	0.05%
Kenya	22.59	0.27%	-	-	40.90	0.52%		
Kuwait	0.10	0.00%	0.24	0.00%	-	-	-	-
<b>Total (B)</b>	<b>567.44</b>	<b>6.85%</b>	<b>134.54</b>	<b>1.36%</b>	<b>137.20</b>	<b>1.75%</b>	<b>85.50</b>	<b>1.80%</b>
<b>Grand Total (A) + (B)</b>	<b>8279.01</b>	<b>100.00</b>	<b>9901.48</b>	<b>100%</b>	<b>7803.12</b>	<b>100.00%</b>	<b>4742.51</b>	<b>100.00%</b>

\*Includes those remaining states and Union territories which contributed less than or equal 0.80% of the revenue from operations for five months period ended Dec. '23

Going forward, we intend to deepen penetration and strengthen our position in our existing key market areas such as Maharashtra, Gujarat and Karnataka. Further, we seek to tap other markets and increase our geographical presence by leveraging our experience in key market areas, enhancing our brand awareness and strengthening our sales and marketing network.

#### ***Continue to reduce operating costs and improve operational efficiencies***

Providing quality products at attractive prices is crucial for maintaining and expanding relationships with our customers. We aim to further enhance our operational efficiencies to increase economies of scale, absorb fixed costs more effectively, reduce other operating expenses, and strengthen our competitive position. Our focus will be on improving capacity utilization at our production facilities by increasing our overall production volumes. Additionally, we will strive to manage supply chain costs by maintaining optimal inventory levels, implementing economic orders, and adopting other necessary measures. Leveraging economies of scale will also be instrumental in continually improving our operational efficiencies.

#### ***Focus on consistently meeting quality standards***

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from the customer's point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and creating goodwill of the Company.

#### **Our manufacturing facility at Sanand, Ahmedabad:-**



**OUR PRODUCTS**

Our product portfolio comprises:

***Press Brake Machines***

Press brake machines are offered in CNC, NC and conventional models. They are primarily used to bend or fold sheet metal, plate materials, or metal parts into a desired shape or angle. They are essential for tasks such as forming metal brackets, creating intricate components, and fabricating structural elements like steel beams and frames. They offer precision control over the bending process, enabling consistent, accurate, and repeatable results, making them a crucial asset for modern metalworking operations. Our product offerings as part of press brake machines include Optima series, Splendid series, Efficient series, Tandem series, Magnum series, Prudent series, NC Press Brake (Front) series, NC Press Brake (Rear) series and Press Brake hydraulic series.

*The pictures below are examples of Press Brake machines manufactured by us.*





**CNC Efficient Series Machine (1000 Ton X 7 m)**



**CNC Tandem Series Machine (800 Ton X 12 m)**



**CNC Magnum Series (700 Ton X 5.2 m)**

**Press Brake Rear Cylinder (500 Ton X 5 m)**

### ***Shearing Machines***

Shearing machines are used for cutting various materials, such as metal sheets, plates and plastics, into desired shapes and sizes. They work by applying a powerful downward force to a moving blade, which then cuts through the material. These machines are used for creating straight edges, trimming excess material, or dividing large sheets into smaller pieces. They are widely utilized in metalworking, fabrication, and manufacturing industries for cutting metal panels, sheet metal components, and other materials with precision and efficiency. Our product offerings as part of shearing machines include CNC hydraulic Shearing machines, NC hydraulic shearing machines and hydraulic shearing machines.

*The pictures below are examples of Shearing machines manufactured by us.*



***CNC hydraulic Shearing machine***



***NC hydraulic Shearing machine***

### ***Busbar Machines (3 in 1 processing)***

Busbar machines are specialized equipment used in electrical and power distribution industries to fabricate and modify busbars. Busbars are flat metal strips or bars used to conduct electricity within switchgear, distribution boards, and electrical enclosures. Busbar machines are designed to cut, punch, bend, and shape busbars to meet specific electrical system requirements. Busbar machines play a vital role in the electrical industry, streamlining the manufacturing and assembly of busbars for power distribution systems, control panels, and more. They are essential for creating efficient and safe electrical connections.



**Busbar 3 in 1 processing Machine**



**Busbar 3 in 1 processing Machine**

***Plate rolling Machines***

Plate rolling machines are industrial machines designed for the process of rolling and curving sheet metal and metal plates. They consist of three main rollers, which can be adjusted to bend, shape, and flatten metal sheets into various forms, including cylinders, cones, and arcs. Common applications include metal fabrication, shipbuilding, construction, aerospace, automotive, and general manufacturing, where precise bending and shaping of metal sheets are essential for component production. Our product offerings as part of plate rolling machines include 4 roll series, 3 roll DP series, 3 roll HM series and 3 roll mechanical series.



**3 Roll Plate rolling machine**



**4 Roll Plate rolling machine**

***Ironworker Machines***

Ironworker machines compose of a heavy-duty frame with a work table, a hydraulic system and a set of mechanical tools. They are designed to perform a variety of tasks, such as cutting, punching, notching, and bending metal materials. They are used in metalworking and steel fabrication industries. We offer four models of ironworker machines namely IW 165, IW 110, IW 80 and IW 50.



**Iron Worker Machine (IW – 165)**



**Iron Worker Machine (IW – 80)**

***Hydraulic Press Machines***

Press machines are used to shape, cut and deform apply force and pressure to materials for shaping and forming them with precision. They come in various types, including hydraulic, mechanical, and pneumatic, and share common components such as a frame, ram, bed, and controls. We offer four models of press machines namely deep drawing press, C Frame press, H Frame press and Servo press.



**Deep Drawing Press (Hydraulic)**



**Servo Press (Hydarulic)**

**Brief summary of Production Process:**

**Raw Material preparation**

The primary raw material required to build any metal forming machine is mild steel (MS) plate. After procurement and testing, MS plate is cut on CNC Plasma machine through nesting process to minimize scrap and optimize production output.

Post-cutting, deburring process is carried to eliminate any burrs or sharp edges, ensuring a smooth and even surface for subsequent stages.

**Machining of raw material**

The prepared raw materials go through various machining processes for precision cutting, milling, drilling and shaping the components. These machining process includes straightening, Plano milling, Floor Boring, VMC, CNC Turning, Milling, Shaping and Planning.

**Fabrication**

The next stage is fabrication for Machine Structures & Frames by using various fixtures. Post fabrication, there will be another Quality Check process carried out for tack weld stage as well as final welding process.

**Assembly**

The assembly area acts as a hub for collecting and organizing the quality-checked components. The various components, including the frame, hydraulic system, bending tools, backgauge system and control panel are integrated and assembled. Each step undergoes thorough quality checks to ensure proper fit, alignment, and functionality.

**Quality check**

Once assembled, the machines undergoes quality control inspections. Functional tests are conducted to assess its bending precision, speed, accuracy, and safety features. Based on customers requirement, we also invite for final validation through factory visits or virtual calls. Trial reports, videos, and comprehensive inspection documents are shared, enabling customers to review and approve the product's quality and adherence to specifications.

**Packing and Dispatch**

After the successful completion of all tests and inspections, the machines are carefully packaged to prevent damage during transportation. Proper labeling and documentation accompany the machine for easy identification and setup at the customer's location.

**Installation and customer support**

Based on the customers requirement, our customer support team, upon delivery of machines, assist them with installation, training, and troubleshooting. They provide guidance on operating the machines safely and efficiently, ensuring its optimal performance in the customer's facility.

**PLANT & MACHINERY**

Our manufacturing facility comprise a vast array of plant and machinery, which are owned by our Company, that includes floor boring machines, plano millers, planner machine, plasma cutting machine, radial drilling machine, CNC turning centre machine, VMC machines, lathe machines, milling machine, testing equipment and cranes.

**INSTALLED CAPACITY & CAPACITY UTILISATION:-**

Particulars	2020-21	2021-22	2022-23	Apr.'Dec.'23	Existing Installed Capacity (p.a.)
Installed Capacity (in Mt)	900	900	900	675	900
Actual Production (in Mt)	310	471	490	414	
Capacity Utilization (in %)	34.44%	52.33%	54.44%	61.33%	

*As certified by Bhaskar G. Bhatt, Chartered Engineer, through certificate dated April 27, 2024*

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off and future production and capacity utilization may vary. For details, please refer to Chapter titled **“Risk factors”** page 24 of this Red Herring Prospectus.

**SALES AND MARKETING:**

Our sales and marketing strategy is primarily focused on customer engagement along with seeking to establish new relationships with customers across a varied range of industries. Our sales and marketing division is headed by Dineshkumar Shankarlal Chaudhary, Managing Director, who leads our teams responsible for business development and customer relationship management. As on March 31, 2024, our sales & marketing team comprised of 29 employees managing the designated regions within India. Our Sales team is also backed by an after-sales service team of 22 employees who provide our customers with access to maintenance services and spare parts and respond to the customer grievances.

We also participate in various domestic and international industry machine tools / engineering exhibitions wherein we demonstrate our products to target customers. In addition, the senior management is actively involved in managing client relationships and business development through targeted interaction with multiple contacts at different levels. Our marketing team along with our Promoters through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company.

Some of our recent participation pictures:



**COMPETITION:**

The industry in which we operate is highly competitive and fragmented. Our competition varies across various markets and geographical areas. We face competition from both domestic and international companies. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships. Further, some of our current and potential competitors include large international companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have. Some of our significant competitors in the organized segment includes Hindustan Hydraulics Pvt. Ltd., Rajesh Machine Tools Pvt. Ltd., HACO Machinery Pvt. Ltd. and Weldor Engineering Pvt. Ltd.

**Infrastructure & Utilities:**

**Raw Materials:** The essential raw material used by us for producing machines include MS Steel, tools & dyes, hydraulic components, seals, electrical and control panel components, bolts, screws, nuts, paints, coatings etc. We procure MS Steel mainly from Gujarat, Maharashtra and West Bengal; tools & dyes from Gujarat & Maharashtra; Hydraulic components, seals, electrical, control panel components, bolts, screws, nuts, paints and coatings are procured mainly from Gujarat.

We also procure certain equipments which are used in machinery from foreign vendors such as press brake tools, quick release clamp, crowning, controllers and laser safety. We mainly import press brake tools, quick release clamp and Crowning from China and controllers and laser safety from Netherland.

**Power:** The requirement of power for our operations, like power for lighting and operating the plant/machinery/equipment is met through the state electricity board i.e. Uttar Gujarat Vij Company Ltd.

**Water:** The existing water requirement for our manufacturing unit is met from GIDC.


**Manpower:** As at March 31, 2024, we had an aggregate of 256 permanent employees, on a consolidated level. In addition to our permanent employees, we also engaged persons on contract basis.



Department	Number of Employees
Design & Development	9

Sales & marketing	29
After-sales service team	22
Quality	11
Finance	7
Production & Production planning	23
Purchase	5
Others	13
Workers	137
<b>Total</b>	<b>256</b>

## **PROPERTY:**

### **Intellectual Property**

Sr. No.	Brand Name/ Logo/ Trademark	Class	TM Category	Trademark Number	Current Status
1.		7	Device	2155788	Registered

Apart from above our Company has applied for registration of trademark  under class 7 and 35 with the Registrar of Trademarks. Also, our Company has applied for registration of logo  under the Copyright Act, 1957.

### **Immovable Properties:**

The following are the details of the immovable properties owned/ leased/ rented by our Company:-

Sr. No.	Usage	Address	Owned/Leased/Rent
1.	Manufacturing unit and Registered office	Plot No. E 9/3, Sanand-II Industrial Estate, Bol GIDC, Hirapur, Sanand, District Ahmedabad – 382-170, Gujarat	Obtained on lease vide lease deed dated June 21, 2017 from GIDC for a period of 99 years beginning from June 20, 2012
		Plot No. E 12, Sanand-II Industrial Estate, Bol GIDC, Hirapur, Sanand, District Ahmedabad – 382-170, Gujarat	Obtained on lease vide lease deed dated October 19, 2019 from GIDC for a period of 99 years beginning from July 20, 2017
2.	Admin Office	Plot No. 87/1, Phase – I, Opposite Pushpak Industrial Estate, GIDC, Vatva, Ahmedabad – 382-445, Gujarat	Obtained on rental basis from Satishkumar Kanjibhai Parmar vide rent agreement dated September 12, 2023 for a period from 01-01-2022 to 08-09-2024 at Rs. 50,000 p.m.

*In addition to above, our Company has entered into an Assignment agreement dated January 25, 2024 with M/s Vishal Industries for assignment of leasehold rights of the plot situated at E-244, Sanand-II Industrial Estate, Bol GIDC, Hirapur, Sanand, District Ahmedabad – 382-170, Gujarat for a total consideration of Rs. 184.00 lakhs, of which the Company has paid a sum of Rs. 130.00 lakhs till the date of this RHP. The Company shall use such land for its future expansion purpose.*

### **Insurance:**

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, industry care package policy for our factory premises in respect of building, stock & plant & machinery, keyman insurance and vehicle insurance. Our insurance policies may not be sufficient to cover our economic loss. For further details, kindly refer the section on **“Risk Factors”** beginning on page 24 of this Red Herring Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations and financial condition.

## **KEY INDUSTRIAL REGULATIONS AND POLICIES**

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled "Government and Other Approvals" beginning on page 216 of this Draft Prospectus. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the field of real estate developers for commercial purpose.

### **INDUSTRY SPECIFIC REGULATIONS**

#### **THE FACTORIES ACT, 1948**

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

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

#### **INDUSTRIAL (DEVELOPMENT AND REGULATION) ACT, 1951 (THE "INDUSTRIAL ACT")**

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

#### **IMPORTER-EXPORTER CODE**

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

### **LAWS RELATING TO SPECIFIC STATE WHERE THE ESTABLISHMENT IS SITUATED**

#### **THE GUJARAT FACTORIES RULES, 1963**

The Gujarat Factories Rules, 1963 was enacted to regulate factories in the state of Gujarat and act as an aid to the Factories Act. The Rule lays down procedure for inspection of factories, registration, suspension and grant of license, health related guideline for factories, waste management and overall working of a factory situated in the state of Gujarat. The Rule further provides for procedure related to safety of workers including child labour and specifically lays down industry specific rules.

#### **GUJARAT INDUSTRIAL POLICY 2013**

The policy aims to make Gujarat as an attractive “Total Business Destination” expedites the overall country’s economic growth, thereby increasing the standard of living and prosperity among the people of Gujarat by giving them the opportunity for skilled employment and availability of nurtured enterprise. This policy of Gujarat is a framework than a detailed blueprint, aimed at defining the broad contours of the government’s mission towards augmenting the industrial development of the state. The projects are classified into four categories wherein less than ₹10 crores is termed as MSME. Further there was promotion of Cluster Development in State. Clusters are geographic concentrations of competing and collaborating firms that tend to speed up economic development in an area by improving competitiveness, developing synergies and introducing innovation especially in the MSME sector.

Being an industrialized state, Gujarat needs to have a strategy which can support industrialization through higher value addition. There is a provision for financial assistance proposed in the New Industrial Policy which is as follows:

- a) Assistance will be subject to preparation of a Comprehensive Development Plan for 5 years by the project cluster group
- b) Pecuniary assistance to nodal institutions/hiring of experts
- c) Clusters will be eligible for financial assistance as available under the Scheme of Critical Infrastructure.

The policy aims at enhancing competitiveness in MSME sector. The state has witnessed strong growth in the sector and envisages strengthening the sector and making it more technology driven. To motivate the entrepreneurs the Gujarat government will constitute separate awards for MSMEs. The use of Enterprise Resource Planning System (ERPS) will be encouraged in the sector.

### **GUJARAT STATE TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENT ACT, 1976**

The Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976 (commonly known as Profession Tax Act) came into force with the object of levying tax on professions, trades, callings and employments. It extends to the whole state of Gujarat.

### **GUJARAT SHOPS AND ESTABLISHMENT ACT, 2019**

The Gujarat Pradesh Shops and Establishments Act, 2019 and Rules, 2020 are applicable to all the shops and commercial establishments in the whole of the Gujarat State.

The Act is enacted for the purpose of protecting the rights of employees. The Act provides regulations of the payment of wages, terms of services, work hours, rest intervals, overtime work, opening and closing hours, closed days, holidays, leaves, maternity leave and benefits, work conditions, rules for employment of children, records maintenance, etc.

### **LABOUR RELATED LEGISLATIONS**

#### **THE APPRENTICES ACT, 1961**

The Apprentices Act 1961 is an Act of the Parliament of India to regulate the training of apprentices in industry and matters connected therewith and for other purposes. The main objective of the Apprentices Act 1961 is to provide for the regulation of the training of apprentices in industry and to ensure that proper standards of training, wages, and other conditions are maintained. The Act also provides for the establishment of Apprenticeship Councils, which are responsible for the regulation and enforcement of the Act.

#### **PAYMENT OF BONUS ACT, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

#### **PAYMENT OF GRATUITY ACT, 1972**

The Payment of Gratuity Act, 1972 (“PG Act”) applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
  - b) On his/her retirement or resignation;
  - c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply).
- Gratuity is payable to the employee at the rate of 15 (fifteen) days’ wages for every completed year of service or part thereof in excess of 6 (six) months.

#### **WORKMEN’S COMPENSATION ACT, 1923 (“WCA”)**



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

### **MATERNITY BENEFIT ACT, 1961**

The Maternity Benefit Act, 1961, as amended, regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six weeks shall precede the date of her expected delivery. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

### **MINIMUM WAGES ACT, 1948**

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

### **CONTRACT LABOUR (REGULATION AND ABOLITION) ACT, 1970, AS AMENDED (THE "CLRA ACT")**

The Contract Labour (Regulation and Abolition) Act, of 1970 (the "CLRA Act") requires a company to be registered as a principal employer and prescribes certain obligations with respect to the welfare and health of contract labourers. The CLRA vests responsibility in the principal employer of an establishment, to which the CLRA applies, to make an application to the concerned officer for registration of the concerned establishment. In the absence of such registration, contract labour cannot be employed in the concerned establishment. Likewise, every contractor, to whom the CLRA applies, is required to obtain a license and may not undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to the establishment of canteens, restrooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

### **EMPLOYEES' STATE INSURANCE ACT, 1948**

It Employees' State Insurance Act to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto. Whereas it is expedient to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto; this Act requires all the employees of the establishment to which this act applies to be insured to the manner provided there under. The Employer and Employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **EMPLOYEES' PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952 ("EPF ACT")**

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees' provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

### **PAYMENT OF WAGES ACT, 1936**

The Payment of Wages Act, 1936 as amended (the Payment of Wages Act) has been enacted to regulate the payment of wages in a particular form at regular intervals without unauthorized deductions and to ensure a speedy and effective remedy to employees against illegal deductions and / or unjustified delay caused in paying wages. It applies to the persons employed in a factory, industrial or other establishment, whether directly or indirectly, through a sub-contractor and provides for the imposition of fines and deductions and lays

down wage periods. The Payment of Wages Act is applicable to factories and industrial or other establishments where the monthly wages payable are less than Rs. 6,500 per month.

### **INDUSTRIAL DISPUTES ACT, 1947**

The Industrial Disputes Act, 1947 (Industrial Disputes Act) provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Act. The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or layoff or retrenchment. (b) the procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

### **SEXUAL HARASSMENT AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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

### **APPRENTICES ACT, 1961**

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

### **EQUAL REMUNERATION ACT, 1976**

The Equal Remuneration Act, 1976, as amended (ER Act) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

### **EMPLOYEES DEPOSIT LINKED INSURANCE SCHEME, 1976**

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

### **THE EMPLOYEES' PENSION SCHEME, 1995**

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

### **INDUSTRIAL EMPLOYMENT STANDING ORDERS ACT, 1946**

The Industrial Employment Standing Orders Act, 1946 aims to provide for the fixation of minimum rates of wages, hours of work, holidays with pay and leave with pay in factories, workshops and other establishments or undertakings which employ ten or more workers.

It also provides for the regulation of facilities like medical aid and welfare schemes to be extended by employers to their employees. It was enacted to monitor and regulate the terms and conditions of industrial employment in India. It made provisions for the security of employment and payment of wages by cash or through cheque etc. The Act also provides for machinery for adjudicating disputes regarding violation of such terms and conditions. A Standing Order is a document setting out terms and conditions of employment for workers in an industry.

### **CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986**

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### **TRADE UNION ACT, 1926 AND TRADE UNION (AMENDMENT) ACT, 2001**

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

### **TAX RELATED LEGISLATIONS**

#### **INCOME TAX ACT, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its Residential Status and-Type of Income involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax like are also required to be complied by every Company.

#### **GOODS AND SERVICE TAX (GST)**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by central on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the central and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon. GST has replaced following indirect taxes and duties at the central and state levels.

### **FDI POLICY**

#### **FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992**

Foreign Trade Act empowers the Government of India to, among other things, (a) make provisions for development and regulation of foreign trade; (b) prohibit, restrict or otherwise regulate exports and imports; (c) formulate an EXIM policy; and (d) appoint a Director General of Foreign Trade for the purpose of administering foreign trade and advising the Central Government in formulating EXIM policy and implementing the same. Every importer and exporter is required to obtain an 'Importer Exporter Code' from the Director General of Foreign Trade or from any other duly authorized officer.

## **FOREIGN TRADE POLICY**

The Foreign Trade Policy provides that no export or import can be made by a person without an IEC unless such person is specifically exempted. The policy provides for all exports and imports made shall be governed by the Foreign Trade Policy, unless otherwise specified. FTP provides for handbook of procedures laying down the procedure to be followed by an exporter or importer or by any Licensing/Regional Authority or by any other authority for purposes of implementing provisions of FT (D&R) Act, the Rules and the Orders made there under and provisions of FTP.

## **FOREIGN EXCHANGE MANAGEMENT ACT, 1999 (“FEMA”) AND REGULATIONS FRAMED THEREUNDER.**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”), as amended from time to time to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

## **GENERAL STATUTORY LEGISLATIONS**

### **MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 AND INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“MSMED Act”) inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as:

- (i) a micro enterprise, where the investment in plant and machinery does not exceed ₹ 25,00,000/- (Rupees Twenty- Five Lakhs Only);
- (ii) a small enterprise, where the investment in plant and machinery is more than ₹ 25,00,000/- (Rupees Twenty -Five Lakh Only) but does not exceed ₹ 5,00,00,000/- (Rupees Five Crores Only); or
- (iii) a medium enterprise, where the investment in plant and machinery is more than ₹ 5,00,00,000/- (Rupees Five Crores Only) but does not exceed ₹ 10,00,00,000/- (Rupees Ten Crores Only).

In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as:

- (i) a micro enterprise, where the investment in equipment does not exceed ₹ 10,00,000/- (Rupees Ten Lakhs Only); (
- (ii) a small enterprise, where the investment in equipment is more than ₹ 10,00,000/- (Rupees Ten Lakhs Only) but does not exceed ₹ 2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than ₹ 2,00,00,000/- (Rupees Two Crores Only) but does not exceed ₹ 5,00,00,000/- (Rupees Five Crores Only).

The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### **COMPANIES ACT, 2013 (“COMPANIES ACT”)**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29<sup>th</sup> August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the director’s payable by the companies is under Part II of the said schedule.

### **COMPETITION ACT, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates combinations in India. The Competition Act also established the Competition Commission of India (the —CCI) as the authority

mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **INDIAN CONTRACT ACT, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **SPECIFIC RELIEF ACT, 1963**

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

### **SALE OF GOODS ACT, 1930**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### **PUBLIC LIABILITY INSURANCE ACT, 1991 (“PLI ACT”)**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The government by way of a notification has enumerated a list of hazardous substances. The owner or handler is also required to obtain an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the owner shall contribute towards the environmental relief fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

### **CONSUMER PROTECTION ACT, 2019 (“CONSUMER PROTECTION ACT”) AND RULES MADE THEREUNDER**

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, amongst other things, to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India (“Ministry of Consumer Affairs”) has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) on July 23, 2020, which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, and appoint a

chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

### **CODE OF CIVIL PROCEDURE, 1908**

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

### **CODE OF CRIMINAL PROCEDURE CODE, 1973**

It is the main legislation on procedure for administration of substantive criminal law in India. It was enacted in 1973 and came into force on 1<sup>st</sup> April, 1974. It provides the machinery for the investigation of crime, apprehension of suspected criminals, collection of evidence, determination of guilt or innocence of the accused person and the determination of punishment of the guilty.

Criminal law occupies a pre-dominant place among the agencies of social control and is regarded as a formidable weapon that society has forged to protect itself against anti-social behaviour. The law of criminal procedure is meant to be complimentary to criminal law. It is intended to provide a mechanism for the enforcement of criminal law. The Code of Criminal Procedure creates the necessary machinery for apprehending the criminals, investigating the criminal cases, their trials before the criminal courts and imposition of proper punishment on the guilty person. The Code enumerates the hierarchy of criminal courts in which different offences can be tried and then it spells out the limits of sentences which such Courts are authorized to pass.

The law of criminal procedure is intended to provide a mechanism for the enforcement of criminal law. Without the proper procedural law the substantive criminal law which defines offences and provides punishment for them would be almost worthless.

### **ARBITRATION & CONCILIATION ACT, 1996**

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

### **NEGOTIABLE INSTRUMENTS ACT, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

### **INDIAN STAMP ACT, 1899**

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

## **THE ENERGY CONSERVATION (AMENDMENT) ACT, 2022**

The Energy Conservation Act, 2001 was enacted to provide for efficient use of energy, its conservation and for matters connected therewith and/ or incidental thereto. The amended Act provides for regulation of energy consumption by equipment, appliances, vehicles, vessels, industrial units, buildings or establishments that consume, generate, transmit or supply energy. With special focus on promotion of new and renewable energy and the National Green Hydrogen Mission, the amendment seeks to (i) facilitate the achievement of “Panchamrit” — the five nectar elements presented by India in COP-26 (Conference of Parties -26) in Glasgow 2021.

In addition to facilitating the achievement of ‘Panchamrit’, the amended Act aims to promote renewable energy and develop the domestic carbon market to combat climate change and introduce new concepts such as carbon trading and mandate the use of non-fossil sources to ensure faster decarbonisation and help achieve sustainable development goals in line with the Paris Agreement and various other actions related to climate change.

## **INTELLECTUAL PROPERTY RELATED LEGISLATIONS**

In general, the Intellectual Property Rights include but are not limited to the following enactments:

- i. Trademarks Act, 1999
- ii. Indian Copyright Act, 1957
- iii. The Patents Act, 1970
- iv. Design Act, 2000

### **TRADE MARKS ACT, 1999 (“TRADE MARKS ACT”)**

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. It provides for the application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trade mark registration may be made with the Controller General of Patents, Designs and Trademarks by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trade mark in the future. Once granted, a trade mark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying for trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trade mark in India and other countries has been made available to owners of Indian and foreign trade marks. It also seeks to simplify the law relating to the transfer of ownership of trade marks by assignment or transmission and to bring the law in line with international practices.

### **COPYRIGHT ACT, 1957**

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

### **THE PATENTS ACT, 1970 (“PATENTS ACT”)**

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights and recognizes both product as well as process patents. The Patents Act provides for, inter alia, the following:

- patent protection period of 20 years from the date of filing the patent application;
- recognition of product patents in respect of food, medicine and drugs;
- import of patented products will not be considered as an infringement; and
- under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

### **THE DESIGN ACT, 2000**

The Design Act, which came into force in May 2001, along with the rules made thereunder consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms, by an industrial process or means, whether manual, mechanical or chemical, separate or combined which in the finished article appeal to and is judged solely by the eye. In order to register a design, it must be new or original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or by use or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of 10 years after which the same can be renewed

for a second period of five years, before the expiration of the original period of 10 years. After such period, the design is made available to the public by placing it in the public domain.

## **OTHER LAWS**

### **MUNICIPALITY LAWS**

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **POLICE LAWS**

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.



## HISTORY AND CORPORATE STRUCTURE

### Brief history of our Company

Our Company was originally incorporated as a private limited Company under the name of “Energy-Mission Machineries (India) Private Limited” on January 17, 2011 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing registration number as 063696. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on July 31, 2023 and the name of our Company was changed from “Energy-Mission Machineries (India) Private Limited” to “Energy-Mission Machineries (India) Limited” vide fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate identification number of our Company is U29100GJ2011PLC063696.

Satishkumar Kanjibhai Parmar and Dineshkumar Shankerlal Chaudhary were the initial subscribers to the Memorandum of Association of our Company. The current promoters of our Company are Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal, Snehal Narendra Mehta and Sumitraben Mehta.

### Address of the Registered Office:

<b>Registered Office</b>	E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand, Bol, Ahmedabad, Sanand, Gujarat, India, 382170
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### Changes in Registered Office of the Company:

Except as disclosed below, there has been no change in our Registered Office since incorporation.

Effective Date	From	To	Reason for Change
October 01, 2023	87/1, Opp. Pushpak Industrial Estate, Phase-I, GIDC, Vatva, Ahmedabad, Gujarat, India, 382445	E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand, Bol, Ahmedabad, Sanand, Gujarat, India, 382170	Administrative Convenience

### Main Objects of Memorandum of Association:

The main objects of our Company as contained in our Clause III(A) of Memorandum of Association of our Company are as follows:

1. To carry on the business as manufactures, assembler, job worker, processors, producers, exporters, importers, traders, dealers, distributors, stockist, buyers, retailers, agents, brokers, consultants, drawers, developers, analysts, innovators, investigators, inventors, technologist, engineers, repairers, makers, shapers in all types of hydraulic machineries, hydraulic system such as Hydraulic Shearing machine, NC Hydraulic Shearing machine, Hydraulic Pres -brake, NC Hydraulic Press-brake, CNC Synchro Hydraulic Press-brake, Hydraulic Iron worker Hyd. Angel cutting m/c, Hyd. Stamping m/c, Hyd. Punching m/c, Hyd. NC punching machine, Deep drawing press, General purpose Hydraulic presses, Plate Bending Machines, Section Bending Machine, Busbar Bending, cutting & Punching, special purpose machines required in or used in different industries.

### Amendments to the Memorandum of Association

Except as stated below, there has been no change in the Memorandum of Association of our Company since its incorporation:

Date of Meeting	Type of Meeting	Amendments
April 25, 2011	EGM	Increase in the authorized share capital of the Company from ₹5.00 Lakh divided into 500 Equity Shares of ₹ 1000/- each to ₹1.00 Crore divided into 10,000 Equity Shares of ₹1000/- each.
March 30, 2013	EGM	Increase in the authorized share capital of the Company from ₹1.00 Crore divided into 10,000 Equity Shares of ₹ 1000/- each to ₹3.00 Crore divided into 30,000 Equity Shares of ₹1000/- each.
March 01, 2017	EGM	Increase in the authorized share capital of the Company from ₹3.00 Crore divided into 30,000 Equity Shares of ₹ 1000/- each to ₹4.00 Crore divided into 40,000 Equity Shares of ₹1000/- each.
June 15, 2023	EGM	Sub-division of Face value of Equity Shares of the Company from 40,000 Equity Shares of 1,000/- per Equity Share to 40,00,000 Equity shares of 10/- per Equity Share.

July 15, 2023	EGM	Increase in the authorized share capital of the Company from ₹4.00 Crore divided into 40,00,000 Equity Shares of ₹ 10/- each to ₹13.00 Crore divided into 1,30,00,000 Equity Shares of ₹10/- each.
July 31, 2023	EGM	Conversion of our Company from Private Limited to Public Limited Company, consequent to which name of the Company has been changed from “Energy-Mission Machineries (India) Private Limited” to “Energy-Mission Machineries (India) Limited” and fresh Certificate of Incorporation Consequent upon conversion to Public Limited Company issued dated August 11, 2023 bearing CIN: U29100GJ2011PLC063696 was issued by Registrar of Companies, Ahmedabad, Gujarat.

### Major events and milestones of our Company:

The table below sets forth some of the major events in the history of our company:

Year/ F.Y.	Key Events/ Milestone/ Achievements
2011	Incorporation of our Company as “Energy-Mission Machineries (India) Private Limited” under the Companies Act, 1956
2021-22	Crossed revenue of ₹ 75 Crores
2022	Awarded with Best Enterprise Award in 2022 by IFCI Venture Capital Funds Ltd.
2022-23	Sold 500 machines in F.Y. 2022-23
2022-23	Successfully sold our hydraulic shearing machine to CERN which is the European Organization for Nuclear Research based in Geneva, Switzerland.
2023	Conversion of company from Private Limited to Public Limited. In consequence of such conversion, Name of our company changed from “Energy-Mission Machineries (India) Private Limited” to “Energy-Mission Machineries (India) Limited”.
2024	- Launch of four roll machines at IMTEX 2024 in Bangalore - Developed an automated material handling system, which can be integrated with the CNC machines, as per the customer’s requirement, through which the material can be fed automatically in the machine.
Year/ F.Y.	Key Events/ Milestone/ Achievements
2011	Incorporation of our Company as “Energy-Mission Machineries (India) Private Limited” under the Companies Act, 1956
2021-22	Crossed revenue of ₹ 75 Crores
2022	Awarded with Best Enterprise Award in 2022 by IFCI Venture Capital Funds Ltd.
2022-23	Sold 500 machines in F.Y. 2022-23
2022-23	Successfully sold our hydraulic shearing machine to CERN which is the European Organization for Nuclear Research based in Geneva, Switzerland.
2023	Conversion of company from Private Limited to Public Limited. In consequence of such conversion, Name of our company changed from “Energy-Mission Machineries (India) Private Limited” to “Energy-Mission Machineries (India) Limited”.
2024	- Launch of four roll machines at IMTEX 2024 in Bangalore - Developed an automated material handling system, which can be integrated with the CNC machines, as per the customer’s requirement, through which the material can be fed automatically in the machine.

### Our holding company:

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

### Our Associates and Joint Ventures:

As on date of this Red Herring Prospectus, our Company does not have any associates and joint ventures.

### Our Subsidiaries:

As on date of this Red Herring Prospectus, Our Company has One Subsidiary Company, namely EM Press Form Solutions Private Limited, the details of which are mentioned below:

#### 1. EM Press Form Solutions Private Limited

##### Corporate Information:

EM Press Form Solutions Private Limited was incorporated under the Companies Act, 2013 pursuant to certificate of incorporation dated November 23, 2023 issued by ROC, Central Registration Centre.

**Nature of Business:**

The Object clause of the Memorandum of association of EM Press Form Solutions Private Limited authorizes it to the following:

1. To carry on business to fabricate, manufacture, produce, process, excavate, quarry, melt, mould, roll, commercialize, cold, clean, cure, treat, mix and manipulate alloy, special steels, stainless steel, cold and hot rolled steel, all types of materials required for manufacture of alloy, tool and special steels, steel casting fabricating, smelting, rolling and forging, steel and alloy steel billets and all kinds and sizes of re-rolled sections, i.e., flats angles, rounds, T. Iron, squares, hexagons, octagons, rails, joints, channels, steel strips, sheets, plates, deformed bars, plain and cold twisted bars, bright bars, shafting and steel structure.
2. To manufacture and deal in bars, rods, plates, sheets, utensils, vessels, etc. of any kind or description of copper, brass, zinc, lead, metal, iron, steel and any other kind of ferrous or nonferrous metal, and rolling works; and produce all types of dies, moulds, jigs, bearings, fixtures, nuts, screws, pumps, rollers axes, spades, and other tools casting of all description and types, whether of steel, iron, copper, bronze, lead, zinc, aluminium, or any other ferrous or non ferrous metal or alloys.
3. To act as importer, exporter, buyer, seller, stockists, distributor, contractor, supplier, metallurgists, engineer, collaborator, job worker, or otherwise deal in alloys, metal, waste, scrap, foils, powders, flakes, strips, sheets, wires made up of steel or copper or any other material whether coated, uncoated, perforated, printed, embossed or insulated and produce all types of sections, varieties, strengths, specifications, descriptions, dimensions, and shapes of steel products, including bars, angles, tubes, pipes and blanks thereof, hollow bars, containers, stranded wires, cables, cordage, ropes, plaited bands, insulated electric wires & cables, electrodes and to do all incidental acts and things necessary for the attainment of the above objects.
4. To carry on the business and process of die casting mouldings, melting, aluminizing, anodizing, shredding, soldering, wiredrawing, beading, boring, drilling, filling, electroplating, nickel plating, metal spraying, welding, lining, threading, screw cutting, punching, grooving, fitting assembling, painting, finishing, and other jobs and processes related thereto.

**Capital Structure:**

Particulars	No. of Equity Shares	Amount
Authorized Capital	20,00,000	2,00,00,000
Issued, subscribed and paid-up capital of equity Shares	20,00,000	2,00,00,000

**Board of Directors:**

Sr. No.	Name	Designation	DIN
1	Ashokkumar Ramjibhai Panchal	Director	03498821
2	Snehal Narendra Mehta	Director	03498810

**Shareholding Pattern as on the date of this Red Herring Prospectus is as follows:**

Sr. No.	Name	No. of Shares	Percentage %
1	Energy-Mission Machineries (India) Limited	19,99,900	100.00%
2	Snehal Narendra Mehta (on behalf of Energy-Mission Machineries (India) Limited)	100	-

**Accumulated profits or losses:**

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of the firm that have not been accounted for or consolidated by our Company.

**Strategic or Financial Partnerships:**

As on the date of this Red Herring Prospectus, Our Company does not have any strategic or financial partnerships.

**Time and Cost Overruns in Setting up Projects:**

There has been no time/ cost overrun in setting up projects by our Company.

**Other details about our Company:**

For details of our Company's activities, products, growth, awards & recognitions, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled ***"Our Business"***, ***"Management's Discussion and Analysis of Financial Conditions and Results of Operations"*** and ***"Basis for Issue Price"*** on pages 104, 200 and 83 respectively of this Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled ***"Our Management"*** and ***"Capital Structure"*** beginning on page 130 and 61 of the Red Herring Prospectus respectively.

**Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks:**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Red Herring Prospectus.

**Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc.**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Red Herring Prospectus.

**Shareholders Agreements**

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Red Herring Prospectus.

**Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company**

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

**Other Material Agreements**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

## OUR MANAGEMENT

### Board of Directors:

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Red Herring Prospectus:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Satishkumar Kanjibhai Parmar</b></p> <p><b>Designation:</b> Chairman, Executive Director &amp; CFO</p> <p><b>Age:</b> 54 years</p> <p><b>Date of Birth:</b> January 12, 1970</p> <p><b>Address:</b> 390, Santolina Villas, Applewoods Township, S.P. Ring Road, Near Shantipura Cross Road, Bopal, Ahmedabad, Gujarat – 380058, India</p> <p><b>Experience:</b> 30 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Diploma in Production Technology</p> <p><b>Current Term:</b> with effect from January 17, 2011</p> <p><b>Period of Directorship:</b> Since Incorporation.</p> <p><b>DIN:</b> 03297705</p>	Nil
<p><b>Dineshkumar Shankarlal Chaudhary</b></p> <p><b>Designation:</b> Managing Director</p> <p><b>Age:</b> 50 years</p> <p><b>Date of Birth:</b> June 14, 1973</p> <p><b>Address:</b> 106, Yogiraj Bungalows, Indrapuri Township, Jasoda Nagar Chokdi, Ghodasar, Ahmedabad, Gujarat – 380 050, India</p> <p><b>Experience:</b> 28 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> B.E. Mechanical</p> <p><b>Current Term:</b> For a period of three year with effect from November 01, 2023</p> <p><b>Period of Directorship:</b> Since Incorporation.</p> <p><b>DIN:</b> 03297711</p>	Nil
<p><b>Ashokkumar Ramjibhai Panchal</b></p> <p><b>Designation:</b> Whole-Time Director</p> <p><b>Age:</b> 59 years</p> <p><b>Date of Birth:</b> July 29, 1964</p>	EM Press Form Solutions Private Limited

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Address:</b> 39, Yogiraj Bungalows, Jasodanagar, Ghodasar, Ahmedabad – 380 050, Gujarat, India</p> <p><b>Experience:</b> 30 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualifications:</b> Diploma in Mechanical Engineering</p> <p><b>Current Term:</b> For a period of three year with effect from November 01, 2023</p> <p><b>Period of Directorship:</b> Since April 01, 2011</p> <p><b>DIN:</b> 03498821</p>	
<p><b>Sumitraben Mehta</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Age:</b> 51 years</p> <p><b>Date of Birth:</b> March 07, 1972</p> <p><b>Address:</b> 80 Yogiraj Bungalows, Nr Girivar Bungalows, M B Patel Farm, Jashodanagar Ghodasar, Ahmedabad, Gujarat – 380 050, India</p> <p><b>Experience:</b> 12 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Bachelor of Science</p> <p><b>Current Term:</b> For a period of three year with effect from November 01, 2023; liable to retire by rotation</p> <p><b>Period of Directorship:</b> From November 01, 2023</p> <p><b>DIN:</b> 10352828</p>	Nil
<p><b>Himanshu Jayantilal Trivedi</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 52 years</p> <p><b>Date of Birth:</b> October 14, 1971</p> <p><b>Address:</b> A1/63, Vineeta Aptt. Chakala Link Road, Near Dr. Charatsingh Colony, Andheri East, Delisle Road, Mumbai, Maharashtra – 400 013.</p> <p><b>Experience:</b> 27 years</p> <p><b>Occupation:</b> Employment</p> <p><b>Qualification:</b> B.E. Mechanical, MBA</p> <p><b>Current Term:</b> For a period of 5 years with effect from November 27, 2023</p> <p><b>Period of Directorship:</b> From November 27, 2023</p>	Nil

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>DIN:</b> 10341846</p> <p><b>Vipul Mehta</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 56 years</p> <p><b>Date of Birth:</b> August 02, 1967</p> <p><b>Address:</b> 93/B, Lotus Society, Opp GKG Hospital, Bhuj City, Kachchh, Bhuj, Gujarat - 370 001</p> <p><b>Experience:</b> 33 years</p> <p><b>Occupation:</b> Professional</p> <p><b>Qualification:</b> B.E. Civil</p> <p><b>Current Term:</b> For a period of 5 years with effect from November 27, 2023; not liable to retire by rotation</p> <p><b>Period of Directorship:</b> From November 27, 2023</p> <p><b>DIN:</b> 10341290</p>	<p>Nil</p>

**Brief Profile of Directors:**

- Satishkumar Kanjibhai Parmar** is the Chairman, Executive Director & CFO of our Company. He has been on the Board since 2011. He is a visionary entrepreneur and has played a pivotal role in expanding business operations of our Company. He has a work experience of around 30 years in the production of capital machineries and has completed his Diploma in Production Technology from Board of Technical Examination, Govt. of Maharashtra in 1994. He currently looks after the overall administration and finance operations of the Company. Under his guidance, our Company has witnessed continuous growth.
- Dineshkumar Shankarlal Chaudhary** is the Managing Director of our Company. He has been on the Board since 2011. He has completed his B.E. Mechanical in 1994 from North Gujarat University, Patan, Gujarat. He has an experience of around 28 years in the production of capital machineries. He is currently looking after the production and marketing function of our Company.
- Ashokkumar Ramjibhai Panchal** is the Whole-Time Director of our Company. He has been on the Board since 2011. He has completed his Diploma in Mechanical Engineering in 1990 from Technical Examinations Board, Gandhinagar, Gujarat. He has an experience of 30 years in the production of capital machineries. He is currently looking after the production and marketing function of our Company.
- Sumitaben Mehta** is the Non-Executive Director of our Company. She has an experience of around 12 years in the administration field. She has completed her B.Sc. in chemistry from North Gujarat University Patan in 1993.
- Himanshu Jayantilal Trivedi** is the Independent Director of our Company. He has a work experience of around 27 years in the marketing field and is currently working in a chemical company. He has completed B.E. (Mechanical) from North Gujarat University, Patan, Gujarat in 1993. and MBA from Bhavnagar University, Bhavnagar.
- Vipul Mehta** is the Independent Director of our Company. He has a work experience of around 33 years in structural engineering. He has completed B.E. (Civil) from Saurashtra University, Rajkot in year 1991.

**Confirmations:**

As on the date of this Red Herring Prospectus:

- a) None of our Directors is or was a director of any listed company during the last five years preceding the date of this Red Herring Prospectus, whose shares has been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- b) None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
- d) None of our Directors is declared as fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

**Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

**Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

**Details of Borrowing Powers of Directors:**

Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on November 27, 2023 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company have authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 500.00 Crore.

**Compensation of our Managing Director & Whole-time Director:**

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

**The following compensation has been approved for Managing Director & Whole time Director:**

**1. Dineshkumar Shankarlal Chaudhary: Managing Director**

Pursuant to the resolutions passed by our Board and our Shareholders on October 10, 2023 and November 01, 2023 respectively, Dineshkumar Shankarlal Chaudhary was appointed as Managing director for a period of Three years with effect from November 01, 2023 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 7.00 lakhs per month. Further, Pursuant to resolution passed by our shareholder on January 10, 2024, Remuneration has been revised and to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 10.00 lakhs per month.

**2. Ashokkumar Ramjibhai Panchal: Whole Time Director**

Pursuant to the resolutions passed by our Board and our Shareholders on October 10, 2023 and November 01, 2023 respectively, Ashokkumar Ramjibhai Panchal was appointed as Whole Time Director for a period of Three years with effect from November 01, 2023 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 7.00 lakhs per month. Further, Pursuant to resolution passed by our shareholder on January 10, 2024, Remuneration has been revised and to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 10.00 lakhs per month.



### 3. Satishkumar Kanjibhai Parmar: Chairman, CFO & Executive Director

Satishkumar Kanjibhai Parmar has been appointed as executive director of the company since incorporation of the company i.e. January 17, 2011. Pursuant to resolution passed by our Board on November 01, 2023, he was appointed as Chairman & Chief Financial Officer, a Key Managerial Personnel, at remuneration & terms and conditions embodied in the terms of appointment.

#### Payments or benefits to Directors:

The remuneration paid to our Directors in Fiscal 2023 is as follows:

Name of Director	Remuneration paid in F.Y. 2022-23 (₹ in lakhs)
Ashokkumar Ramjibhai Panchal	36.00
Dineshkumar Shankarlal Chaudhary	36.00
Sanjay Shantukumar Khankar	36.00
Satishkumar Kanjibhai Parmar	36.00
Snehal Narendra Mehta	36.00

#### Bonus or Profit Sharing Plan for our Directors:

We have no bonus or profit sharing plan for our Directors.

#### Sitting Fees:

Our Board of Directors have resolved in their meeting dated December 30, 2023 for payment of sitting fees to Directors (including independent directors) of the Company, such sum as may be decided by the Board of Directors which shall not exceed ₹ 1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee thereof, attended by such director.

#### Shareholding of our Directors as on the date of this Red Herring Prospectus:

Sr. No.	Name of the Directors	No. of Shares Held	Holding in % (pre-Offer)
1.	Satishkumar Kanjibhai Parmar	16,43,900	19.70
2.	Dineshkumar Shankarlal Chaudhary	16,68,900	20.00
3.	Ashokkumar Ramjibhai Panchal	16,68,900	20.00
4.	Sumitraben Mehta	56,500	0.68
	<b>Total</b>	<b>50,38,200</b>	<b>60.38</b>

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Red Herring Prospectus.

As on date of the filing of this Red Herring Prospectus, Company has one Subsidiary namely **Em Press Form Solutions Private Limited**, as defined under Section 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

#### INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 130 of this Red Herring Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/ Members/ Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/ Members/ Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** on page 196 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or

arrangements which are proposed to be entered into with them.

**Interest of Directors in the property of Our Company:**

Except mentioned below, Our directors do not have any interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing the Red Herring Prospectus with RoC:-

Sr. No.	Usage	Address	Owned/Leased/Rent
1.	Admin Office	Plot No. 87/1, Phase – I, Opposite Pushpak Industrial Estate, GIDC, Vatva, Ahmedabad – 382-445, Gujarat	Obtained on rental basis from Satishkumar Kanjibhai Parmar vide rent agreement dated September 12, 2023 for a period from 01-01-2022 to 08-09-2024 at Rs. 50,000/- p.m.

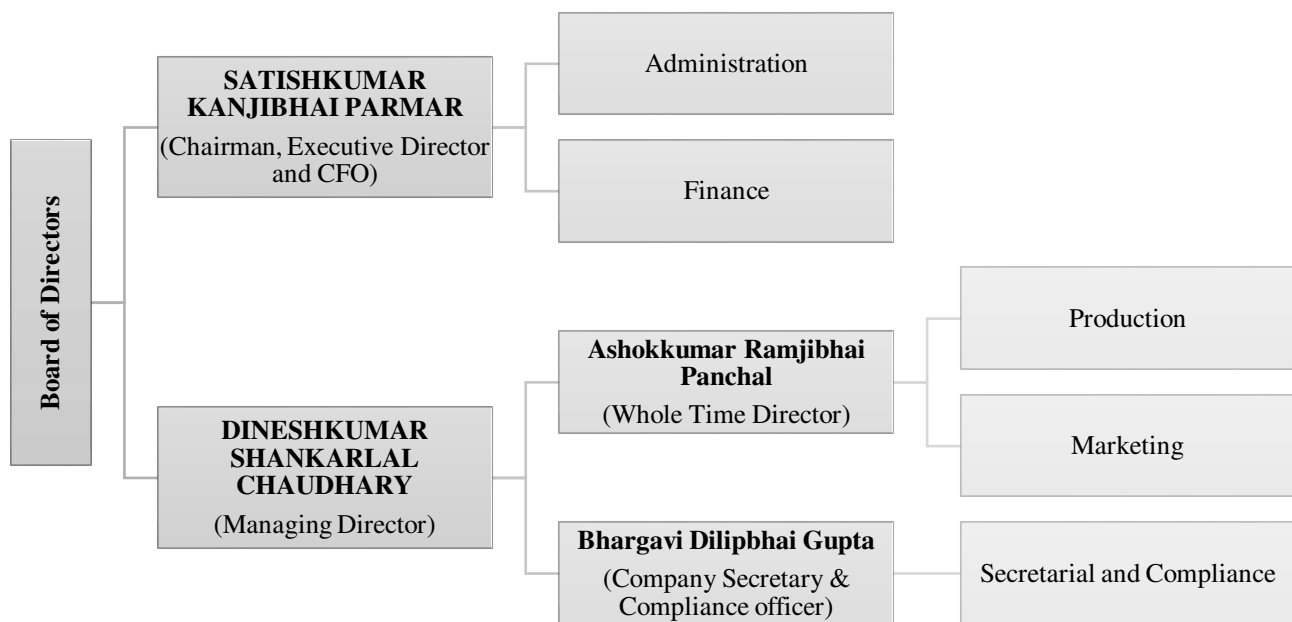
Except as stated in this section **“Our Management”** or the section titled **“Financial information of the Company –Note-30 - Related Party Disclosure”** beginning on page 130 and 183 respectively of this Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

**Changes in Board of Directors in Last 3 Years:**

Name	Designation (at the time of appointment/ Change in designation / Cessation)	Date of Appointment/ Change designation/ Cessation	Reason
Sumitraben Mehta	Appointment as Non-Executive Director	November 01, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013.
Dineshkumar Shankarlal Chaudhary	Re-designated as Managing Director	November 01, 2023	
Ashokkumar Ramjibhai Panchal	Re-designated as Whole Time Director	November 01, 2023	
Himanshu Jayantilal Trivedi	Appointed as Independent Director	November 27, 2023	
Vipul Mehta	Appointed as Independent Director	November 27, 2023	
Snehal Narendra Mehta	Resignation from Directorship	November 10, 2023	Due to pre-occupation and Personal reasons
Sanjay Shantukumar Khankar	Resignation from Directorship	November 10, 2023	Due to pre-occupation and Personal reasons

**MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure:-



## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME platform of NSE (NSE Emerge). The requirements pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of six (6) directors of which two (2) are Independent Directors, and we have One women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company has formed an Audit Committee, vide Board Resolution dated December 30, 2023 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Himanshu Jayantilal Trivedi	Chairman	Independent Director
Vipul Mehta	Member	Independent Director
Ashokkumar Panchal	Member	Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

#### **A. Tenure of the committee:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than one hundred and twenty day shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

**C. Power of the Committee:**

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) To have full access to information contained in records of Company.

**D. Role of the Committee:**

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications and modified opinions in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an Offer (public Offer, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- Reviewing the functioning of the whistle blower mechanism;
- Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

Further, the Audit Committee shall mandatorily review the following:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed an Stakeholders Relationship Committee vide Board Resolution dated December 30, 2023 as per the applicable provisions of the Section 178(5) of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Vipul Mehta	Chairman	Independent Director
Himanshu Jayantilal Trivedi	Member	Independent Director
Sumitraben Mehta	Member	Non-Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

### i. Tenure of the committee:

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

### ii. Meetings of the committee:

The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The Chairman of the Stakeholders Relationship Committee shall be present at the Annual General Meeting to answer queries of the securities holders. The Quorum shall be two members present.

### iii. Terms of Reference:

The role of the Stakeholders Relationship Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;

5. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;
6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;
9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

### 3. Nomination and Remuneration Committee

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated December 30, 2023 as per the applicable provisions of the Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Himanshu Jayantilal Trivedi	Chairman	Independent Director
Vipul Mehta	Member	Independent Director
Sumitraben Mehta	Member	Non-Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

#### A. Tenure of the committee:

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

#### B. Meetings of the committee:

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

#### C. Role of Terms of Reference:

The role of the Nomination and Remuneration Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
3. formulation of criteria for evaluation of the performance of independent directors and the Board;
4. devising a policy on diversity of our Board;
5. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every

- director's performance;
6. determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  7. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
  8. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
  9. recommending to the Board, all remuneration, in whatever form, payable to senior management;
  10. performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
  11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
  12. analyzing, monitoring and reviewing various human resource and compensation matters;
  13. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  14. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
  15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

#### 4. Corporate Social Responsibility Committee

Our Company has constituted the Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 vide Board resolution dated December 30, 2023. The Corporate Social Responsibility Committee comprises the following:

Name of Director	Status in Committee	Nature of Directorship
Dineshkumar Shankarlal Chaudhary	Chairman	Managing Director
Vipul Mehta	Member	Independent Director
Sumitraben Mehta	Member	Non-Executive Director

The Committee shall act in accordance with the provisions of Companies Act, 2013 and the tenure, meeting and terms of reference specified hereunder:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on activities referred to in Section 135(a) of the Companies Act, 2013;
3. To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
4. To Monitor the Corporate Social Responsibility policy of the Company from time to time; and
5. Any other matter of CSR Committee may deem appropriate after approval of the Board of Directors or as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 or other applicable law.

#### KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of Joining	Remuneration paid for F.Y. ended 2022-23 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
<b>Satishkumar Kanjibhai Parmar</b> Designation: Chairman, Executive Director & CFO	54	2011	36.00	30	Nil

Name, Designation & Educational Qualification	Age (Years)	Year of Joining	Remuneration paid for F.Y. ended 2022-23 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
<b>Educational Qualification:</b> Diploma in Production Technology <b>Term of office:</b> designated as CFO with effect from November 01, 2023					
<b>Dineshkumar Shankarlal Chaudhary</b> <b>Designation:</b> Managing Director <b>Educational Qualification:</b> B.E. Mechanical <b>Term of office:</b> For a period of three year with effect from November 01, 2023; liable to retire by rotation	50	2011	36.00	28	Nil
<b>Ashokkumar Ramjibhai Panchal</b> <b>Designation:</b> Whole Time Director <b>Educational Qualification:</b> B.E. Mechanical <b>Term of office:</b> For a period of three year with effect from November 01, 2023; liable to retire by rotation	59	2011	36.00	30	Nil
<b>Bhargavi Dilipbhai Gupta</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification:</b> Company Secretary	25	2023	Nil	Fresher	Nil

#### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Satishkumar Kanjibhai Parmar** - Please refer to section “**Brief Profile of our Directors**” beginning on page 130 of this Red Herring Prospectus for details.

**Dineshkumar Shankarlal Chaudhary** - Please refer to section “**Brief Profile of our Directors**” beginning on page 130 of this Red Herring Prospectus for details.

**Ashokkumar Ramjibhai Panchal** - Please refer to section “**Brief Profile of our Directors**” beginning on page 130 of this Red Herring Prospectus for details.

**Bhargavi Dilipbhai Gupta** is the Company Secretary and Compliance officer of our Company. She has recently become the member of Institute of Company Secretaries of India since 2023. She looks after the overall corporate governance and secretarial matters of our Company. She has been appointed as Company Secretary and Compliance Officer of our Company with effect from October 01, 2023.

#### We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary and Ashokkumar Ramjibhai Panchal are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the Year ended March 2023.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Red Herring Prospectus except:

Sr. No.	Name of the KMP's	No. of Shares held
1	Satishkumar Kanjibhai Parmar	16,43,900
2	Dineshkumar Shankarlal Chaudhary	16,68,900



3	Ashokkumar Ramjibhai Panchal	16,68,900
	<b>Total</b>	<b>49,81,700</b>

- h. Presently, we do not have ESOP/ ESPS scheme for our employees.  
i. The turnover of KMPs is not high, compared to the Industry to which our company belongs.

#### **Nature of any family relationship between our Directors and Key Managerial Personnel (KMP)**

None of the Directors and KMPs of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013.

#### **Payment of benefits to officers of Our Company (non-salary related)**

Except as disclosed in this Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/ rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

#### **Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

<b>Name</b>	<b>Designation (at the time of appointment/ Change in designation/ Cessation)</b>	<b>Date of Appointment/ Change in designation/ Cessation</b>	<b>Reason</b>
Satishkumar Kanjibhai Parmar	Re-designated as Chairman and CFO	November 01, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013
Dineshkumar Shankarlal Chaudhary	Re-designated as Managing Director	November 01, 2023	
Ashokkumar Ramjibhai Panchal	Re-designated as Whole Time Director	November 01, 2023	
Bhargavi Dilipbhai Gupta	Appointed as Company Secretary & Compliance Officer	October 01, 2023	

#### **Interest of Our Key Managerial Persons**

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled "**Financial information of the Company – Note 30- Related Party Disclosures**" beginning on page 183 of this Red Herring Prospectus.

#### **Interest of Directors and KMP's in the property of Our Company:**

Except mentioned below, Our directors do not have any interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing the Red Herring Prospectus with RoC:-

<b>Sr. No.</b>	<b>Usage</b>	<b>Address</b>	<b>Owned/Leased/Rent</b>
1.	Admin Office	Plot No. 87/1, Phase – I, Opposite Pushpak Industrial Estate, GIDC, Vatva, Ahmedabad – 382-445, Gujarat	Obtained on rental basis from Satishkumar Kanjibhai Parmar vide rent agreement dated September 12, 2023 for a period from 01-01-2022 to 08-09-2024 at Rs. 50,000 p.m.

Except as stated in this section "**Our Management**" or the section titled "**Financial information of the Company –Note-30**

- **Related Party Disclosure**” beginning on page 130 and 183 respectively of this Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

#### **Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

#### **Loans given/ availed by Directors/ Key Managerial Personnel of Our Company**

For details of unsecured loan taken from or given to our Directors/ KMPs and for details of transaction entered by them in the past please refer to “**Note 30 – Related Party Disclosures**” page 183 of this Red Herring Prospectus.

#### **ESOP/ ESPS SCHEME TO EMPLOYEES**




Presently, we do not have any ESOP/ ESPS Scheme for our employees.

## OUR PROMOTERS & PROMOTER GROUP

### OUR PROMOTERS:

The promoters of our Company are Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal, Snehal Narendra Mehta and Sumitraben Mehta. As on date of this Red Herring Prospectus, the Promoters, in aggregate, hold 83,19,500 Equity shares of our Company, representing 99.70% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*", on pages 60 of this Red Herring Prospectus.

### **Brief Profile of our Promoters is as under:**

	<b>Satishkumar Kanjibhai Parmar – Chairman, Executive Director &amp; CFO</b>	
	<b>Qualification</b>	Diploma in Production Technology
	<b>Age</b>	54 years
	<b>Date of Birth</b>	January 12, 1970
	<b>Address</b>	390, Santolina Villas, Applewoods Township, S.P. Ring Road, Near Shantipura Cross Road, Bopal, Ahmedabad, Gujarat – 380058, India
	<b>Experience</b>	30 years
	<b>Occupation</b>	Business
	<b>PAN</b>	AGXPP3302K
	<b>No. of Equity Shares &amp; % of Shareholding (Pre-issue)</b>	16,43,900 equity shares aggregating to 19.70% of Pre-Issue Paid up Share Capital of the Company.
	<b>Other Ventures</b>	<b>Directorship in Companies:</b> Nil
	<b>Dineshkumar Shankarlal Chaudhary – Managing Director</b>	
	<b>Qualification</b>	B.E. Mechanical
	<b>Age</b>	50 years
	<b>Date of Birth</b>	June 14, 1973
	<b>Address</b>	106, Yogiraj Bungalows, Indrapuri Township, Jasoda Nagar Chokdi, Godasar, Ahmedabad, Gujarat – 380 050, India
	<b>Experience</b>	28 years
	<b>Occupation</b>	Business
	<b>PAN</b>	ADPPC7007D
	<b>No. of Equity Shares &amp; % of Shareholding (Pre-Issue)</b>	16,68,900 equity shares aggregating to 20.00% of Pre-Issue Paid up Share Capital of the Company.
	<b>Other Ventures</b>	<b>Directorship in Companies:</b> Nil
	<b>Sanjay Shantukumar Khankar – Promoter</b>	
	<b>Qualification</b>	Chartered Engineer
	<b>Age</b>	50 years
	<b>Date of Birth</b>	August 18, 1973
	<b>Address</b>	1, Cannan Society, Near Lalbhai Centre, Khokhra, Ahmednabad City, Maninagar, Ahmedabad, Gujarat – 380 008, India
	<b>Experience</b>	30 years
	<b>Occupation</b>	Business
	<b>PAN</b>	AHFPPK2782F
	<b>No. of Equity Shares &amp; % of Shareholding (Pre-Issue)</b>	16,68,900 equity shares aggregating to 20.00% of Pre Issue Paid up Share Capital of the Company.
	<b>Other Ventures</b>	<b>Directorship in Companies:</b> Energy Mission Machineries USA Inc.

	<b>Ashokkumar Ramjibhai Panchal – Whole-Time Director</b>	
	<b>Qualification</b>	Diploma in Mechanical Engineering
	<b>Age</b>	59 years
	<b>Date of Birth</b>	July 29, 1964
	<b>Address</b>	39, Yogiraj Bungalows, Jasodanagar, Ghodasar, Ahmedabad – 380 050, Gujarat, India
	<b>Experience</b>	30 years
	<b>Occupation</b>	Business
	<b>PAN</b>	AFFPP0487E
	<b>No. of Equity Shares &amp; % of Shareholding (Pre-Issue)</b>	16,68,900 equity shares aggregating to 20.00% of Pre Issue Paid up Share Capital of the Company.
	<b>Other Ventures</b>	<b>Directorship in Companies:</b> EM Press Form Solutions Private Limited
	<b>Snehal Narendra Mehta – Promoter</b>	
	<b>Qualification</b>	B.E. Mechanical
	<b>Age</b>	50 years
	<b>Date of Birth</b>	April 28, 1973
	<b>Address</b>	80, Yogiraj Bungalows, Near Girivar Bungalows, M B Patel Farm, Jasodanagar, Godasar, Ahmedabad, Gujarat – 380 050, India
	<b>Experience</b>	30 years
	<b>Occupation</b>	Business
	<b>PAN</b>	ACRPM1620P
	<b>No. of Equity Shares &amp; % of Shareholding (Pre-Issue)</b>	16,12,400 equity shares aggregating to 19.32% of Pre Issue Paid up Share Capital of the Company
	<b>Other Ventures</b>	<b>Directorship in Companies:</b> EM Press Form Solutions Private Limited  <b>HUF's:</b> Snehal N Mehta HUF
	<b>Sumitraben Mehta – Non-Executive Director</b>	
	<b>Qualification</b>	Bachelor of Science
	<b>Age</b>	51 Years
	<b>Date of Birth</b>	March 07, 1972
	<b>Address</b>	80 Yogiraj Bungalows, Nr Girivar Bungalows, M B Patel Farm, Jashodanagar Ghodasar, Ahmedabad, Gujarat – 380 050, India
	<b>Experience</b>	12 Years
	<b>Occupation</b>	Business
	<b>PAN</b>	APHPM3673H
	<b>No. of Equity Shares &amp; % of Shareholding (Pre-Issue)</b>	56,500 Equity Shares aggregating to 0.68% of Pre-Issue Paid up Share Capital
	<b>Other Ventures</b>	<b>Directorships in other Companies:</b> 1. Nil  <b>HUF's</b> 2. Snehal N Mehta HUF (as member)

### **BRIEF PROFILE OF PROMOTERS**

**Satishkumar Kanjibhai Parmar** - Please refer to chapter **“Our Management”** beginning on page 130 of this Red Herring Prospectus for details.

**Dineshkumar Shankarlal Chaudhary** - Please refer to chapter **“Our Management”** beginning on page 130 of this Red Herring Prospectus for details.

**Sanjay Shantukumar Khankar** is the promoter of our company. He has work experience of 30 years in production of capital Machineries. He has completed his Chartered Engineers Examination recognized by the Department of Education in the Ministry of Human Resources Development, of the Govt. of India, in Year 2002.

**Ashokkumar Ramjibhai Panchal** - Please refer to chapter **“Our Management”** beginning on page 130 of this Red Herring Prospectus for details.

**Snehal Narendra Mehta** is the promoter of our company. He has work experience of 30 years in production of capital Machineries. He has completed B.E. Mechanical from North Gujarat University, Modasa in Year 1993.

**Sumitraben Mehta** - Please refer to chapter **“Our Management”** beginning on page 128 of this Red Herring Prospectus for details.

**Confirmations/Declarations:**

In relation to our Promoters, Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal, Snehal Narendra Mehta and Sumitraben Mehta, our Company confirms that the PAN, Bank Account Numbers, Passport Number, Aadhaar Card Number and Driving License number shall be submitted to NSE at the time of filing of this Red Herring Prospectus.

**Interest of our Promoters:**

**i. Interest in promotion and shareholding of Our Company:**

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Red Herring Prospectus, our Promoters, Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal, Snehal Narendra Mehta and Sumitraben Mehta collectively holds 83,19,500 Equity Shares in our Company i.e. 99.70% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to **Note - 30 – “Related Party Transactions”** beginning on page 176 of this Red Herring Prospectus.

For details regarding the shareholding of our Promoters in our Company, please see **“Capital Structure”** on page 60 of this Red Herring Prospectus.

**ii. Interest in the property of Our Company:**

Except mentioned below, Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of this Red Herring Prospectus. For further details of property please refer to Chapter titled **“Our Business”** beginning on page 104 of this Red Herring Prospectus.

Sr. No.	Usage	Address	Owned/Leased/Rent
1.	Admin Office	Plot No. 87/1, Phase – I, Opposite Pushpak Industrial Estate, GIDC, Vatva, Ahmedabad – 382-445, Gujarat	Obtained on rental basis from Satishkumar Kanjibhai Parmar vide rent agreement dated September 12, 2023 for a period from 01-01-2022 to 08-09-2024 at Rs. 50,000 p.m.

**iii. In transactions for acquisition of land, construction of building and supply of machinery**

None of our Promoters or Directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

**iv. Other Interests in our Company**

For transactions in respect of loans and other monetary transactions entered in past please refer **Note - 30 on “Related Party Transactions”** on page 183 forming part of **“Financial Information of the Company”** of this Red Herring Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favor of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** and **“Financial Information of Our Company”** on page 196 and 151 respectively of this Red Herring Prospectus.

#### **Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoter and promoter group, please refer to the paragraph **“Compensation of our Managing Director”** in the chapter titled **“Our Management”** beginning on page 130 and also refer **“Note - 30 on Related Party Transactions”** on page 183 forming part of **“Financial Information of the Company”** and Paragraph on **“Interest of Promoter”** in chapter titled **“Our Promoter and Promoter Group”** on page 144 of this Red Herring Prospectus.

#### **Companies/Firms with which our Promoters have disassociated in the last (3) three years**

our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Red Herring Prospectus.

#### **Other ventures of our Promoter**

Save and except as disclosed in this section titled **“Our Promoter & Promoter Group”** beginning on page 144 of this Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

#### **Litigation details pertaining to our Promoter**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled **“Outstanding Litigations and Material Developments”** beginning on page 211 of this Red Herring Prospectus.

#### **Experience of Promoters in the line of business**

Our Promoters, Satishkumar Kanjibhai Parmar, Dineshkumar Shankarlal Chaudhary, Sanjay Shantukumar Khankar, Ashokkumar Ramjibhai Panchal and Snehal Narendra Mehta have an experience of around 30 years in the business of production of Capital Machineries. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

#### **Related Party Transactions**

Except as stated in **“Note – 30 - Related Party Transactions”** beginning on page 183 of this Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

#### **OUR PROMOTER GROUP**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

##### **i. Natural Persons who are part of the Promoter Group:**

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoter) are as follows:

Relationship	Name Of Relatives					
	Satishkumar Kanjibhai Parmar	Dineshkumar Shankarlal Chaudhary	Sanjay Shantukumar Khankar	Ashokkumar Ramjibhai Panchal	Snehal Narendra Mehta	Sumitraben Mehta
Father	Late Kanjibhai Parmar	Late Shankarlal Bhagwanbhai Chaudhary	Shantukumar Khankar	Ramjibhai Valjibhai Mistry	Late Mehta Narendrabhai Navinchandra	Devshankar Biharilal Vyas

Mother	Kankuben Kanjibhai Parmar	Soniben Shankarlal Chaudhary	Madhukantaben Shantukumar Khankar	Late Jasvantiben Panchal	Late Mehta Mradulaben Narendrabhai	Vyas Shantiben Biharilal
Spouse	Amisha Satiskumar Parmar	Jignaben D Chaudhary	Niharika Sanjaybhai Khankar	Jayshreeben Ashok Bhai Panchal	Sumitraben Mehta	Snehal Narendra Mehta
Brother	Mahesh K Parmar	Dipakkumar Shankarlal Chaudhary	Late Sankalp Khankar	Rajesh Ramjibhai Panchal	-	Siddharth Biharilal Vyas
Brother	-	-	-	-	-	Prakash Biharilal Vyas
Brother	-	-	-	-	-	Anil Biharilal Vyas
Sister	Pushpaben Mahesh Maheriya	Ramilaben Pravinkumar Chaudhary	Minal Borsada	Jayshreeben Karliya	-	Jayaben Biharilal Vyas
Sister	Minaxiben R Vala	Ushaben Shankarbhai Chaudhary	-	Varsha Pitodia	-	-
Son	Malhar Satiskumar Parmar	Munj D Chaudhary	-	-	Nem Mehta Snehal	Nem Mehta Snehal
Daughter	Astha Satish Anand	-	Carol Khankar	Avani Ashok Kumar Panchal	-	-
Daughter	-	-	Angelina Khankar	-	-	-
Spouse's Father	Ramanlal Damanbhai Rohit	Late Motibhai Narsinhbhai Chaudhari	Late Sharadbhai Parmar	Vallabhdas Vijay Siddhpura	Devshankar Biharilal Vyas	Late Mehta Narendrabhai Navinchandra
Spouse's Mother	Late Ramilaben Rohit	Late Santokben Veljibhai Chaudhari	Pushpaben Devajibhai Macwan	Late Godavariben Siddhpura	Vyas Shantiben Biharilal	Late Mehta Mradulaben Narendrabhai
Spouse's Brother	Nitesh Ramanlal Vala	Atulkumar Motibhai Chaudhari	-	Late Vijay Siddhpura	Siddharth Biharilal Vyas	-
Spouse's Brother	-	Rameshbhai Motibhai Chaudhari	-	-	Prakash Biharilal Vyas	-
Spouse's Brother	-	-	-	-	Anil Biharilal Vyas	-
Spouse's Sister	Manishaben P Makwana	-	Neha Gohel	Ranjana Harsukhlal Dodia	Jayaben Biharilal Vyas	-
Spouse's Sister	Kalpisha Vashwant Rathod	-	-	-	-	-

ii. **Corporate Entities or Firms forming part of the Promoter Group:**

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S. No.	Nature of Relationship	Name of Entities
1.	any body corporate in which twenty per cent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member;	Nil
2.	any body corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and	Nil

3.	any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. Of the total capital;	Snehal N Mehta HUF
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**iii. Other persons included in Promoter Group:**

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations 2018.



## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the nine months period ended December 31, 2023 and last three financial years and for the period March 31, 2023 to the date of the filing of this Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

**SECTION – VI – FINANCIAL INFORMATION OF THE COMPANY  
RESTATED FINANCIAL STATEMENTS**

**Independent Auditor’s Report on Restated Financial Statements**

**To the Members of**

**ENERGY-MISSION MACHINERIES (INDIA) LIMITED**  
*(formerly known as Energy-Mission Machinerics (India) Private Limited)*  
**87/1, Opp. Pushpak Industrial Estate, Phase-I, GIDC, Vatva,**  
**Ahmedabad, Gujarat**

We have examined the attached Restated Financial Statements of **M/s ENERGY-MISSION MACHINERIES (INDIA) LIMITED** *(formerly known as Energy-Mission Machinerics (India) Private Limited)* (“the Company”), comprising Consolidated Restated Financial Statements of the company constituting Restated Statement of Assets and Liabilities as at 31<sup>st</sup> December, 2023, the Consolidated Restated Statements of Profit and Loss, the Consolidated Restated Cash Flow Statement for the period/year ended 31<sup>st</sup> December, 2023, Restated Financial Statements of the company constituting Restated Statement of Assets and Liabilities as at 31<sup>st</sup> March 2023, 2022 and 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period/year ended, 31<sup>st</sup> March 2023, 2022 and 2021, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financials Statements (collectively, the “Restated financial statement”), as approved by the Board of Directors of the Company at their meeting held on **30/04/2024** for the purpose of inclusion in the Draft Offer Document/ Offer Document prepared by the company in connection with its proposed SME Initial Public Offer of equity shares (“SME IPO”) prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”)
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

**Management’s Responsibility for the Restated Financial Statements**

The Company’s Board of Directors are responsible for the preparation of these restated financial statements for the purpose of inclusion in the Draft Offer Document/ Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Ahmedabad in connection with the proposed SME IPO. The Restated financial statement has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated financial statement. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated financial statement. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.

We, S S P J & Co, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and holds peer review certificate dated 15/06/2021 valid till 30/06/2024.

**Auditor’s Responsibility**

We have examined such Restated financial statement taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 01/04/2024 in connection with the proposed SME IPO of equity shares of the Company;
- b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated financial statement; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the SME IPO.

### **Restated Financial Statement**

These Restated Financial Statement have been compiled by the management of the company from:

- a) Audited consolidated financial statements of the company as at and for the period/year ended 31<sup>st</sup> December, 2023, prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.
- b) Audited standalone financial statements of the company as at and for the period/year ended, 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.

For the purpose of our examination, we have relied on:

- a) Auditor's report issued by us on consolidated financial statements of the company as at and for the period/year ended 31<sup>st</sup> December, 2023.
- b) Auditor's report issued by us on standalone financial statements of the company as at and for the period/year ended, 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

Based on our examination and according to the information and explanations given to us, we report that the Restated financial information have been prepared:

- a) after incorporating adjustments for the changes in accounting policies, material error and regrouping/reclassifications retrospectively, if any, 31<sup>st</sup> December, 2023, 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the period ended 31<sup>st</sup> March, 2023; and
- b) There are no qualifications in the auditors' reports on the standalone financial statements of as at and for the period/year ended 31<sup>st</sup> December, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 which require any adjustments to the Restated Financial Statements.
- c) There are no qualifications in the auditors' reports on the consolidated financial statements of as at and for the period/year ended 31<sup>st</sup> December, 2023, which require any adjustments to the Restated Financial Statements.
- d) In accordance with the Act, ICDR Regulations and the Guidance Note.

We have also examined the following Notes to the Restated financial statement of the company set out in the Annexure V, prepared by the management and approved by the Board of Directors on 30/04/2024 for the period/year ended 31<sup>st</sup> December 2023, 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

### **Annexure V - Notes to the Restated Summary Financial Information;**

- a. Restated Statement of Share Capital as appearing in Note 4 to this report;
- b. Restated Statement of Reserves and Surplus as appearing in Note 5 to this report;
- c. Restated Statement of Long Term Borrowings as appearing in Note 6 to this report;
- d. Restated Statement of principal terms of Secured Loans and Assets charged as security as appearing in Note 6(A) to this report;
- e. Statement of terms & conditions of unsecured loans as appearing in Note 6(B) to this report;
- f. Restated Statement of Long term provision as appearing in Note 7 to this report;

- g. Restated Statement of Short term borrowings as appearing in Note 8 to this report;
- h. Restated Statement of Trade Payables as appearing in Note 9 to this report;
- i. Restated Statement of Other Current Liabilities as appearing in Note 10 to this report;
- j. Restated Statement of Short Term Provisions as appearing in Note 11 to this report;
- k. Restated Statement of Property, Plant and Equipment as appearing in Note 12 to this report;
- l. Restated Statement of Intangible Assets as appearing in Note 13 to this report;
- m. Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note 14 to this report;
- n. Restated Statement of Long Term Loans & Advances as appearing in Note 15 to this report;
- o. Restated Statement of Other Non-Current Assets as appearing in Note 16 to this report;
- p. Restated Statement of Inventories as appearing in Note 17 to this report;
- q. Restated Statement of Trade Receivables as appearing in Note 18 to this report;
- r. Restated Statement of Cash and Cash Equivalents as appearing in Note 19 to this report;
- s. Restated Statement of Short Term Loans & Advances as appearing in Note 20 to this report;
- t. Restated Statement of Other Current Assets as appearing in Note 21 to this report;
- u. Restated Statement of Revenue from Operations as appearing in Note 22 to this report;
- v. Restated Statement of Other Income as appearing in Note 23 to this report;
- w. Restated Statement of Cost of Material Consumed as appearing in Note 24 to this report;
- x. Restated Statement of Change in Inventories as appearing in Note 25 to this report;
- y. Restated Statement of Employee Benefit Expenses as appearing in Note 26 to this report;
- z. Restated Statement of Finance Cost as appearing in Note 27 to this report;
- aa. Restated Statement of Depreciation & Amortization as appearing in Note 12 & 13 to this report;
- bb. Restated Statement of Other Expenses as appearing in Note 28 to this report;
- cc. Restated Statement of Equity per Share as appearing in Note 29 to this report;
- dd. Restated Statement of Related Party Transactions as appearing in Note 30 to this report;
- ee. Restated Statement of Segment Reporting as appearing in Note 31 to this report;
- ff. Restated Statement of Contingent Liabilities as appearing in Note 32 to this report;
- gg. Restated Statement of Value of Import on CIF basis as appearing in Note 33 to this report;
- hh. Restated Statement of Earning in Foreign Currency as appearing in Note 34 to this report;
- ii. Restated Statement of Expenditure in Foreign Currency as appearing in Note 35 to this report;
- jj. Restated Statement of Corporate Social Responsibility as appearing in Note 36 to this report;
- kk. Restated Statement of Mismatch in Balance of Secured Loan from HDFC Bank as appearing in Note 37 to this report;
- ll. Restated Statement of Gratuity and Other Post-Employment Benefit Plans as appearing in Note 38 to this report;

This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Our report is intended solely for use of the Board of Directors for inclusion in the Draft Offer Document/Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

In our opinion, the above financial information contained in Annexure I to Annexure V of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

For and on behalf of  
**S S P J & Co.**  
Chartered Accountants  
Reg. No. 018083N

**Sd/-**

**CA Sujata Kapila**

Partner

M.No. 515235

UDIN: 24515235BKCHIM8085

Place: Ahmedabad

Date: 30.04.2024

**ANNEXURE - I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In lacs)

Particulars	Note No.	Consolidated as at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>A</b>					
<b>EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
(a) Share capital	4	834.45	278.15	278.15	278.15
(b) Reserves and surplus	5	2193.37	2074.87	1,284.86	948.69
(c) Money received against share warrants					
<b>2 Non-current liabilities</b>					
(a) Long-Term Borrowings	6	697.33	923.33	1,332.78	1,280.93
(b) Long term Provisions	7	91.61	75.85	55.12	52.22
<b>3 Current liabilities</b>					
(a) Short Term Borrowings	8	1635.72	1,264.49	1,124.45	947.66
(b) Trade payables:	9				
(A) total outstanding dues of micro enterprises and small enterprises; and		405.05	144.79	160.52	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2858.19	2,289.77	2,040.56	2,060.86
(c) Other current liabilities	10	1028.72	1,025.85	982.65	955.81
(d) Short-term provisions	11	213.68	181.55	123.35	51.39
<b>TOTAL LIABILITIES</b>		<b>9958.11</b>	<b>8258.64</b>	<b>7,382.45</b>	<b>6,575.72</b>
<b>B ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Plant, Property & Equipment and Intangible Assets					
(i) Plant, Property & Equipment	12	2,525.42	2,555.21	2,554.72	2,545.30
(ii) Intangible Assets	13	10.13	9.07	4.40	7.25
(iii) Capital work-in-progress		-	-	95.03	-
(c) Deferred Tax Asset (Net)	14	(19.88)	38.58	(1.24)	6.70
(b) Long-term Loans and Advances	15	113.12	119.11	123.32	139.97
(e) Other Non-Current Assets	16	35.76	49.62	48.21	38.54
<b>2 Current assets</b>					
(a) Current Investments		-	-	-	-
(a) Inventories	17	6213.46	4,965.65	3,675.16	3,134.23
(b) Trade receivables	18	660.24	359.18	414.68	322.60
(c) Cash and cash equivalents	19	3.25	3.63	123.66	96.55
(d) Short-term loans and advances	20	237.47	124.61	289.09	208.50
(e) Other Current Assets	21	179.13	33.97	55.43	76.08
<b>TOTAL ASSETS</b>		<b>9,958.11</b>	<b>8258.64</b>	<b>7,382.45</b>	<b>6,575.72</b>

**ANNEXURE - II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. In lacs)

Particulars		Note No.	Consolidated For the 9 months period ended 31st December, 2023	Standalone For the year ended 31st March, 2023	Standalone For the year ended 31st March, 2022	Standalone For the year ended 31st March, 2021
1	Revenue from operations	22	8,328.48	9,956.34	7,835.27	4,761.27
2	Other Income	23	71.28	109.78	71.31	72.80
3	<b>Total Income (1+2)</b>		<b>8,399.76</b>	<b>10,066.12</b>	<b>7,906.57</b>	<b>4,834.07</b>
4	<b>Expenses</b>					
	Cost of materials consumed	24	5051.89	6,224.62	4,844.17	3,165.87
	Purchases of stock-in-trade		-	-	-	-
	Changes in inventories of finished goods & WIP	25	(622.98)	(396.73)	96.81	(135.10)
	Employee benefits expenses	26	1068.29	924.43	690.90	518.12
	Finance costs	27	225.16	264.23	237.84	251.46
	Depreciation and amortisation expense	12 & 13	148.74	195.22	177.72	173.71
	Other Expense	28	1560.02	1,843.37	1,407.48	761.72
	<b>Total Expenses</b>		<b>7431.12</b>	<b>9,055.14</b>	<b>7,454.92</b>	<b>4,735.78</b>
5	<b>Profit / (Loss) before exceptional and extra-ordinary items and tax (3 - 4)</b>		<b>968.64</b>	<b>1,010.98</b>	<b>451.65</b>	<b>98.29</b>
6	Prior Period Items			-		-
7	<b>Profit / (Loss) before extra-ordinary items and tax (5-6)</b>		<b>-968.64</b>	<b>1,010.98</b>	<b>451.65</b>	<b>98.29</b>
8	Extraordinary items			-	-	-
9	<b>Profit Before Tax (7-8)</b>		<b>-</b>	<b>1,010.98</b>	<b>451.65</b>	<b>98.29</b>
10	<b>Tax Expense:</b>					
	(a) Current tax expense		235.38	260.79	107.54	22.14
	(b) Deferred tax liability / (asset)		58.46	(39.82)	7.94	(19.18)
11	<b>Profit / (Loss) from continuing operations (9-10)</b>		<b>674.80</b>	<b>790.01</b>	<b>336.17</b>	<b>95.33</b>
12	<b>Profit/(loss) from discontinuing operation</b>			-	-	-
13	<b>Tax Expense of discontinuing operations</b>			-	-	-
14	<b>Profit/(loss) from discontinuing operations after tax</b>			-	-	-
15	<b>Profit/(Loss) for the period (11+14)</b>		<b>674.80</b>	<b>790.01</b>	<b>336.17</b>	<b>95.33</b>
	<b>Earning per equity share:</b>					
	(1) Basic	29	8.09	9.47	4.03	1.14
	(2) Diluted		8.09	9.47	4.03	1.14

**ANNEXURE - III**  
**RESTATED CASH FLOW STATEMENT**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31 December, 2023		Standalone For the year ended 31 March, 2023		Standalone For the year ended 31 March, 2022		Standalone For the year ended 31 March, 2021	
<b>A. Cash flow from operating activities</b>								
Net Profit / (Loss) before extraordinary items and tax		968.64		1,010.98		451.65		98.29
Adjustments for:								
Depreciation and amortisation	148.74		195.22		177.72		173.71	
Finance costs	225.16		264.23		237.84		251.46	
Interest income	-		(5.08)		(6.53)		(5.96)	
Prior Period items	-		-		-		(56.86)	
Net Profit / (Loss)		373.90		454.37		409.04		362.36
Operating profit / (loss) before working capital changes		<b>1342.54</b>		<b>1,465.35</b>		<b>860.69</b>		<b>460.65</b>
<b>Changes in working capital:</b>								
Trade Receivables	(301.06)		55.49		(92.08)		(44.37)	
Inventories	(1,247.80)		(1,290.50)		(540.93)		(465.40)	
Short-Term Loans and Advances	(112.86)		164.48		(80.59)		202.55	
Other Current Assets	(145.17)		21.46		20.65		(71.75)	
Trade Payables	828.68		233.47		140.22		102.01	
Provisions	47.89		78.94		74.85		72.23	
Other Long-term liabilities	-		-		-		-	
Other Current Liabilities	2.87	(927.46)	43.19	(693.46)	26.84	(451.04)	(50.44)	(255.16)
		<b>415.09</b>		<b>771.88</b>		<b>409.65</b>		<b>205.48</b>
Cash flow from extraordinary items		-		-		-		-
Cash generated from operations		<b>415.09</b>		<b>771.88</b>		<b>409.65</b>		<b>205.48</b>
Net income tax (paid) / refunds		(293.84)		(220.97)		(115.48)		(2.96)
<b>Net cash flow from/(used in) operating activities(A)</b>		<b>121.24</b>		<b>550.92</b>		<b>294.17</b>		<b>202.52</b>
<b>B. Cash flow from investing activities</b>								
Interest income	-		5.08		6.53		5.96	
Increase/decrease in Fixed Assets	(118.94)		(100.68)		(282.17)		(36.35)	
Increase/Decrease in Intangible Asset	(1.05)		(4.67)		2.85		10.17	
Increase/decrease in Long-Term Loan and Advances	5.99		4.21		16.65		(121.14)	
Increase/decrease in Other non-current assets	13.86	(100.14)	(1.41)	(97.47)	(9.67)	(265.81)	(38.54)	(179.90)
<b>Net cash flow from/(used in) investing activities(B)</b>		<b>(100.14)</b>		<b>(97.47)</b>		<b>(265.81)</b>		<b>(179.90)</b>
<b>C. Cash flow from financing activities</b>								
Finance Cost	(225.16)		(264.23)		(237.84)		(251.46)	
Increase/decrease in Short-Term Borrowings	371.23		140.04		176.79		187.56	
Increase/decrease in Long-Term Borrowings	(226.00)		(409.46)		51.85		44.79	
Increase in Deferred Tax Asset	58.46	(21.47)	(39.82)	(525.78)	7.94	(1.26)	(19.18)	(38.30)
<b>Net cash flow from/(used in) financing activities(C)</b>		<b>(21.47)</b>		<b>(573.46)</b>		<b>(1.26)</b>		<b>(38.30)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(0.38)</b>		<b>(120.03)</b>		<b>27.11</b>		<b>(15.67)</b>



Cash and cash equivalents at the beginning of the year		3.63		123.66		96.55		112.23
<b>Cash and cash equivalents at the end of the year</b>		<b>3.25</b>		<b>3.63</b>		<b>123.66</b>		<b>96.55</b>

## ANNEXURE -IV

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES TO RESTATED FINANCIAL STATEMENTS

#### 1. Corporate Information:

Energy-Mission Machineries (India) Limited (*formerly known as Energy-Mission Machineries (India) Pvt. Ltd.*) (“the Company”) was incorporated in January 2011 and is engaged in the business of manufacturing of Hydraulic Shearing machine, NC Hydraulic Shearing machine, Hydraulic Press-brake, NC Hydraulic Press-brake, CNC Syncro Hydraulic Press-brake, Iron worker ‘Sigma’, Deep drawing press, general purpose Hydraulic presses and special purpose machines. The company has its registered office at Ahmedabad, Gujarat.

Details of Subsidiaries – Over the period of restatement, the holding company is having following subsidiaries.

Name of Company	% age Holding				
	31 <sup>st</sup>	Dec, 2023	31st March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
EM Press Form Solutions Private Limited		100%	NA	NA	NA

\* EM Press Form Solutions Private Limited was incorporated on November 23, 2023. Energy- Mission Machineries (India) Limited has subscribed for 10,000 shares against which the payment of consideration of Rs. 100,000/- was outstanding to be paid as on December 31, 2023. The said consideration has been brought in on 17/01/2024. EM Press Form Solutions Private Limited is the Wholly Owned Subsidiary Company of Energy-Mission Machineries (India) Limited.

#### 2. Basis of preparation of Financial Statements

The Restated Financial Statements comprise of:

Restated Consolidated Statement of Assets and Liabilities (Annexure I) as at 31st December, 2023, Restated Standalone Statement of Assets and Liabilities (Annexure I) as at 31st March 2023, 31st March 2022 and 31st March 2021, Restated Consolidated Statement of Profit and Loss (Annexure II) and the Restated Consolidated Statement of Cash Flows (Annexure III) for the period ended 31st December, 2023, Restated Standalone Statement of Profit and Loss (Annexure II) and the Restated Standalone Statement of Cash Flows (Annexure III) for the year ended 31st March 2023, 31st March 2022 and 31st March 2021 and the summary of significant accounting policies and explanatory notes.

These Restated Financial Statements have been prepared by the company in connection with its proposed SME Initial Public Offer of equity shares (“SME IPO”) prepared in terms of the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”)
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

These Restated Financial Information have been compiled by the management of the company from:

Audited standalone financial statements of the company as at and for the year ended 31st March 2023, 31st March 2022 and 31st March 2021 and audited consolidated financial statements of the company as at and for the period ended 31st December, 2023, prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.

### **Principles of Consolidation**

The Restated Consolidated Financial Information of the Group include the financial statement of the Holding Company and its subsidiaries and have been combined in accordance with the Accounting Standard (AS) 21 “Consolidated Financial Statements”, on a line-by-line basis by adding the book value of like items of assets, liabilities, income and expenses, after eliminating intragroup balances / transactions and unrealized profits / losses in full.

The Restated Consolidated Financial Information of the Group have been prepared using uniform accounting policies for like transactions and other events in similar circumstances as mention in those policies, in the same manner as the Holding Company’s separate financial statements except as otherwise stated in the Significant Accounting Policies.

The excess / deficit of cost to the Holding Company of its investment over its portion of equity in the subsidiaries at the respective dates on which investment in subsidiaries was made is recognized in the Consolidated Financial Statements as “Goodwill on consolidation” / “Capital Reserve”. The said goodwill is not amortized, however, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for."

Minority interest is the amount of equity attributable to minorities at the date on which investment in a subsidiary is made.

Consolidated financial statements are prepared using uniform accounting policies across the Group, except as stated in significant accounting policies.

### **3. Summary of Significant accounting policies**

#### **(a) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised in current and future periods.

#### **(b) Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any directly attributable cost for bringing the asset to its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Expenditure an account of restoration/ modification/ alteration in plant and machinery, which increases the future benefit from the existing asset beyond its previously assessed standard of performance/ estimated useful life is capitalised. Insurance spares/ stand by equipment’s is capitalised as part of respective principal assets.

#### **(c) Intangible assets**

Intangible assets are stated at cost less amortisation less impairment, if any. Cost comprises the purchase price and other directly attributable costs

During the Financial Year 2022-23 the company has changed its accounting policy to charge depreciation on the Intangible Assets (Softwares) from at the rate of 10% to 45.07% i.e. new changed life adopted by the company is 5 years.

#### **(d) Depreciation and Amortization**

Depreciation on fixed assets is provided on the written down value method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

	Useful life as per Schedule II
Plant & Machinery	15 Years
Vehicles	8 Years
Computers	3 Years
Factory Building	60 Years
Furniture & Fixtures	10 Years
Office Equipment	5 Years

**(e) Impairment of property, plant and equipment and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specified to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(f) Leases**

Leases where the lesser effectively retain substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**(g) Inventories**

Inventories are valued as follows: -

Raw materials, components, stores, and spares and packing material	Lower of cost and net realizable value. Cost represents purchase price and other direct costs and is determined on a moving average cost basis. However, materials and other items held for use in the production of inventory are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.
Work in progress and manufactured finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads operating capacity. The cost of finished goods is determined on a moving average cost basis.

**(h) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of goods: Revenue from the sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects GST on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(ii) Interest Income: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(iii) Export benefits/incentive: Export entitlements under duty drawback scheme is recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made.

**(i) Foreign currency transactions**

**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are reposted using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the data of the transaction; and

non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**(j) Retirement and other employee benefits**

(i) The company contributes provident fund into employee provident fund scheme managed by regional provident fund commissioner, the contributions are charged to the Statement Profit and Loss. There are no other obligations other than the contribution payable.

(ii) Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company presents its leave and gratuity liability as current and non-current based on reports of actuarial valuation.

(iii) Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end.

(iv) Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

**(k) Taxation**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred Tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each balance sheet date, the Company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax assets to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such written down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will not be available.

**(l) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(m) Provisions**

A provision is recognized when an enterprise has a present obligation because of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(n) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confined by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(o) Cash and cash equivalent**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(p) Segment reporting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**ANNEXURE V - NOTES TO THE RESTATED FINANCIAL INFORMATION**

**Note 4**

**RESTATED STATEMENT OF SHARE CAPITAL**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>(a) Authorised</b>				
No. of Equity shares of Rs.1,000/- each with voting rights		40,000	40,000	40,000
No. of Equity shares of Rs.10/- each with voting rights	1,30,00,000	-	-	-
Equity Share Capital (in Rs.)	1,300.00	400.00	400.00	400.00
<b>TOTAL</b>	<b>1,300.00</b>	<b>400.00</b>	<b>400.00</b>	<b>400.00</b>
<b>(b) Issued, Subscribed &amp; paid up</b>				
No. of Equity shares of Rs.1,000/- each with voting rights	-	27,815	27,815	27,815
No. of Equity shares of Rs.10/- each with voting rights	83,44,500	-	-	-
Equity Share Capital (in Rs.)	834.45	278.15	278.15	278.15
<b>TOTAL</b>	<b>834.45</b>	<b>278.15</b>	<b>278.15</b>	<b>278.15</b>
<b>Name of Shareholders</b>	<b>No. of Shares as at 31st December 2023</b>	<b>No. of Shares as at 31st March 2023</b>	<b>No. of Shares as at 31st March 2022</b>	<b>No. of Shares as at 31st March 2021</b>
Satish K. Parmar	16,43,900	5,563	5,563	5,563
Dinesh S. Chaudhary	16,68,900	5,563	5,563	5,563
Ashok R. Panchal	16,68,900	5,563	5,563	5,563
Sanjay S. Khankar	16,68,900	5,563	5,563	5,563
Snehal N. Mehta	16,12,400	5,563	5,563	5,563
<b>TOTAL</b>	<b>82,63,000</b>	<b>27,815</b>	<b>27,815</b>	<b>27,815</b>

(d) Terms & rights attached to equity shares

- "The company has only one class of equity shares having a par value of Rs. 10 per share (In the year ending 31/03/2023 and earlier years, par value of equity shares was Rs. 1000 per share).
- Each shareholder of equity shares is entitled to one vote per share.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after payment of all liabilities, the distribution will be in proportion to the number of equity shares."
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- There is no movement in the equity shares during these years

(e) During the 9 month period ended 31/12/2023 the company has issued 2 Bonus shares against each equity share out of Security premium and surplus profits. Further, No Bonus shares or shares issued for consideration other than cash or shares bought back in the preceding 5 years (prior to year ending 31/03/2023)

(f) During the period ended 31/12/2023, each Equity Share having Face Value of Rs. 1000/- has been split into 100 Equity Shares of Rs. 10/- each. Further, the effect of the same has been considered for calculating the Weighted Average Shares for the end of each year.

**(g) Promoters' Shareholding (including Promoter Group)**

Name of Shareholders	No. of Shares as at 31st December 2023	%	No. of Shares as at 31st March 2023	%	No. of Shares as at 31st March 2022	%	No. of Shares as at 31st March 2021	%
Satish K. Parmar	16,43,900	19.70%	5,563	20.00%	5,563	20.00%	5,563	20.00%

Dinesh S. Chaudhary	16,68,900	20.00%	5,563	20.00%	5,563	20.00%	5,563	20.00%
Ashok R. Panchal	16,68,900	20.00%	5,563	20.00%	5,563	20.00%	5,563	20.00%
Sanjay S. Khankar	16,68,900	20.00%	5,563	20.00%	5,563	20.00%	5,563	20.00%
Snehal N. Mehta	16,12,400	19.32%	5,563	20.00%	5,563	20.00%	5,563	20.00%
Amisha Satish Kumar Parmar (Relative of Director)	25,000	0.30%	-	0.00%	-	0.00%	-	0.00%
Sumitraben Mehta (Relative of Director)	56,500	0.68%	-	0.00%	-	0.00%	-	0.00%
<b>TOTAL</b>	<b>83,44,500</b>	<b>100%</b>	<b>27,815</b>	<b>100%</b>	<b>27,815</b>	<b>100%</b>	<b>27,815</b>	<b>100%</b>

**Note 5**

**RESTATED STATEMENT OF RESERVES AND SURPLUS**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>SECURITY PREMIUM RESERVE</b>				
Balance at the beginning of the year	226.93	226.93	226.93	226.93
Less: Bonus Share Issue	(226.93)	-	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>226.93</b>	<b>226.93</b>	<b>226.93</b>
<b>SURPLUS IN THE STATEMENT OF PROFIT &amp; LOSS ACCOUNT</b>				
Balance at the beginning of the year	1847.94	1,057.93	721.76	683.29
Add: Profit / (Loss) for the year	674.80	790.01	336.17	95.33
Less: Prior Period Items	-	-	-	(56.86)
Less: Bonus Share Issue	(329.37)	-	-	-
<b>Balance at the end of the year</b>	<b>2193.37</b>	<b>1847.94</b>	<b>1,057.93</b>	<b>721.76</b>
<b>TOTAL</b>	<b>2193.37</b>	<b>2074.87</b>	<b>1,284.86</b>	<b>948.69</b>

**Note 6**

**RESTATED STATEMENT OF LONG TERM BORROWINGS**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>(A) TERM LOANS</b>				
<b>Secured loan</b>				
<b>(a) From Banks</b>				
Term Loan for Vehicles	74.89	42.27	63.63	43.15
Term Loan for Plant & Machinery	559.06	862.56	1,190.74	1,210.56
<b>Unsecured</b>				
<b>(b) From others</b>				
From Directors/ shareholders/ Related parties	63.38	18.49	78.41	27.22
<b>TOTAL</b>	<b>697.33</b>	<b>923.33</b>	<b>1,332.78</b>	<b>1,280.93</b>

Refer Note 6(A) and 6(B)



6A. RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY											
Sr. No.	Name of Lender	Purpose	Loan Amount	RoI	Primary & Collateral Security	Re-payment Schedule	Moratorium	Outstanding Balance as on 31/12/2023	Outstanding Balance as on 31/03/2023	Outstanding Balance as on 31/03/2022	Outstanding Balance as on 31/03/2021
1	HDFC Bank Limited	Term Loan	797.00	9.60%	Refer Note 6B	52 Structured Equated Monthly Instalment from Sep-2020	6 Months	218.68	347.93	510.75	664.72
2	HDFC Bank Limited	Term Loan	415.00	9.60%	Refer Note 6B	72 Structured Equated Monthly Instalment from Sep-2020	6 Months	221.36	262.59	316.51	369.06
3	HDFC Bank Limited	Cash Credit	1,500.00	9.60%	Refer Note 6B	Repayable on Demand	NA	1,184.50	832.46	722.97	621.10
4	HDFC Bank Limited	Term Loan	135.00	9.60%	Refer Note 6B	96 Structured Equated Monthly Instalment from Sep-2020	6 Months	98.53	107.62	120.61	97.44
5	HDFC Bank Limited	Term Loan	400.00	9.25%	Refer Note 6B	48 Structured Equated Monthly Instalment from Aug-2021	12 Months	88.43	191.50	319.44	350.00
6	HDFC Bank Limited	Term Loan	67.50	9.60%	Refer Note 6B	84 Structured Equated Monthly Instalment from Jul-2022	NA	57.24	61.96	-	-
7	HDFC Bank Limited	Term Loan	97.50	9.60%	Refer Note 6B	84 Structured Equated Monthly Instalment from May-2022	NA	82.64	89.24	79.38	-

8	HDFC Bank Limited	Term Loan	200.00	9.25%	Refer Note 6B	36 Structured Equated Monthly Instalment from May-2024	24 Months	200.00	200.00	200.00	-
9	HDFC Bank Limited	NA			Refer Note 6B	Lump sum payment in Oct'24	54 Months	21.65	20.60	19.19	17.78
10	HDFC Bank Limited	NA			Refer Note 6B	Lump sum payment in Oct'24	54 Months	9.01	8.57	7.98	7.39
11	HDFC Bank Limited	NA			Refer Note 6B	NA	NA	-17.73	-9.31	-9.31	-2.76
12	State Bank of India	Term Loan - Vehicle	30.00	9.40%	Refer Note 6B	84 Structured Equated Monthly Instalment from Jul-2017	NA	3.27	7.25	12.14	16.71
13	HDFC Bank Limited	Term Loan - Vehicle	50.00	7.25%	Refer Note 6B	60 Structured Equated Monthly Instalment from Sep-2021	NA	28.90	36.07	45.05	-
14	Punjab National Bank Limited	Term Loan - Vehicle	35.00	9.55%	Refer Note 6B	84 Structured Equated Monthly Instalment from Jan-2019	NA	13.45	17.60	22.85	27.73
15	Punjab National Bank Limited	Term Loan - Vehicle	4.19	8.55%	Refer Note 6B	84 Structured Equated Monthly Instalment from Dec-2019	NA	2.07	2.50	3.06	3.67
16	Capital First Limited	LAP	27.50	14.00%	Refer Note 6B	120 Structured Equated Monthly Instalment from Dec-2013	NA	-	-	7.58	11.35
17	HDB Financial	Term Loan - Vehicle	6.48	10.50%	Refer Note 6B	48 Structured Equated Monthly	NA	-	-	0.64	2.46

	Services Limited					Instalment from Aug-2018					
18	Kotak Mahindra Prime Ltd	Term Loan - Vehicle			Refer Note 6B	Structured Equated Monthly Instalment	NA	-	-	-	14.70
19	HDFC Bank Limited	Term Loan - Vehicle	11.40	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	10.47	-	-	-
20	HDFC Bank Limited	Term Loan - Vehicle	11.40	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	10.47	-	-	-
21	HDFC Bank Limited	Term Loan - Vehicle	8.00	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	7.35	-	-	-
22	HDFC Bank Limited	Term Loan - Vehicle	8.00	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	7.35	-	-	-
23	HDFC Bank Limited	Term Loan - Vehicle	8.00	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	7.35	-	-	-
24	HDFC Bank Limited	Term Loan - Vehicle	8.00	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	7.35	-	-	-
25	HDFC Bank Limited	Term Loan - Vehicle	8.00	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	7.35	-	-	-

	Total Fund Based		3,827.97					2269.67	2,176.59	2,378.82	2,201.37
1	HDFC Bank Limited	Foreign Bill Discounting	200.00	9.60%	Refer Note 6B	NA	NA	-	-	-	-
2	HDFC Bank Limited	Letter of Credit	300.00	9.60%	Refer Note 6B	NA	NA	-	-	-	-
	Total Non-Fund Based		500.00					-	-	-	-

#### 6B. RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Sr. No.	Name of Lender	Purpose	Relation	Re-payment Schedule	Outstanding Balance as on 31/12/2023			
1	Ashokkumar Ramjibhai Panchal	General Purposes	Director	Repayable on Demand	10.00			
2	Dineshkumar Shankarlal Chaudhary	General Purposes	Director	Repayable on Demand	2.38			
3	Sanjay Shantukumar Khankar	General Purposes	Director	Repayable on Demand	-			
4	Satishkumar Kanjibhai Parmar	General Purposes	Director	Repayable on Demand	51.00			
5	Snehal N Mehta	General Purposes	Director	Repayable on Demand	0.00			
	<b>Total</b>				<b>63.38</b>			

#### Primary/Collateral Security:-

1. Primary Security of hypothecation of Plant and Machinery, Stock and Book Debts.
2. Equitable Mortgage over the following properties:

Sr No.	Property Description	Type of Property	Owner of Property	Area
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1.	Plot No 5210, Vatva Phase 4, Near Ramol Police Station, Vatva, N 313, Gidc – 382445	INDUSTRIAL	SatishKumar Parmar	9,325 Sq. Ft.
2.	Plot No 87/1/C, Factory Land & Building, Situated At R S No 479 & 480, Opp Puspak Industrial Estate, Phase 1 Gidc, - 382445	INDUSTRIAL	SatishKumar Parmar	3,600 Sq. Ft.
3.	Plot E 9/3 And 12, Sanand Industrial Estate, Hirapur, Gidc Industrial Area, Near Parle Global Technology Pvt Ltd At Sanad Block No 368,371,511 Old Sn No 208, 211, 378 Paiki – 382110	INDUSTRIAL	Energy-Mission Machinerics (India) Pvt Ltd	1,46,744 Sq. Ft.
4.	Yogiraj Bungalow, Indrapuri Township, The Yogiraj Co Op Ho Service So Ltd, Sn 132 Hissa No 1 Tps No 45 Fp No 132, Sub Plot No 1, Paiki, Block No 106380008bh, Near Annapurna Restaurant Khokhra	RESIDENTIAL	Dinesh S. Chaudhary	1,290 Sq. Ft.

3. Vehicle loans are secured against hypothecation of vehicles purchased against the said loan.

4. Personal Guarantee of all the current Directors of the company i.e. Satish K. Parmar, Dinesh S. Chaudhary, Ashok R. Panchal, Sanjay S. Khankar and Snehal N. Mehta.

5. Terms & Conditions:

- a. Borrower shall undertake to retire the bills without devolving the liability on the bank. Fresh LC/BC shall not be opened if the account remains irregular While establishing import LCs/BCs all the relative RBI exchange control guidelines shall be complied with and the borrower to undertake to comply with all the exchange / import trade control regulations of RBI in respect of the imports under the import LC limits.
- b. Borrower to undertake to comply with all the exchange / import trade control regulations of RBI in respect of the imports under the import LC limits.
- c. An undertaking to be obtained from the borrower to the effect that they will bear any exchange fluctuation risk relating to the import LCs/BCs and will arrange for necessary forward cover, whenever called upon to do so by the bank.
- d. The bills shall be negotiated/ discounted after verifying the authenticity of the confirmed order/ letter of Credit Proceeds of the bills shall be utilized for adjustment of the Packing Credit Limit wherever granted. All RBI guidelines relating to export credit shall be complied with No further bill to be discounted / purchased if there is any overdue / PDO in the facility.
- e. D&B rating of 1/2 or at least satisfactory Experian rating or ECGC cover required for all non LC usance txns. All export related documents need to be routed thru HDFC Bank without any exception. Customer not to send docs directly to overseas buyers.
- f. Any increase in project cost on account of any item not listed in the project details submitted for evaluation and/ or time or cost overrun will be funded by infusion of Long term funds by the promoter.
- g. No dividend to be declared/ no withdrawal in form of salary/remuneration/incentive/ commission by the promoters/ directors in case of Overdue with bank.
- h. None of the directors of the Borrower is a director or specified near relation of a director of a banking company.
- i. To route all sale proceeds through HDFC Bank only and other bank accounts to be closed within 1 month of disbursal / takeover
- j. No interest to be paid on unsecured loans in case of any over dues with Bank.
- k. Unsecured Loans will be converted into Equity as and when required to maintain a positive tangible Net worth.
- l. The funds will not be utilized for any speculative, illegal and investing in Capital market purposes but will be utilized only for Working Capital Requirements.

**Note 7**  
**RESTATED STATEMENT OF LONG TERM PROVISIONS**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>(a) Provision for employee benefit</b>				
Provision for Gratuity (refer note 38 )	91.61	74.35	55.12	52.22
Provision for Leave Encashment	-	1.49	-	-
<b>TOTAL</b>	<b>91.61</b>	<b>75.85</b>	<b>55.12</b>	<b>52.22</b>

**Note 8**  
**RESTATED STATEMENT OF SHORT TERM BORROWINGS**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>(A) TERM LOANS</b>				
<b>Secured loan</b>				
<b>(a) From Banks</b>				
Term Loan for Vehicles	30.47	21.15	19.56	29.80
Term Loan for Plant & Machinery	420.75	418.14	381.92	296.75
<b>(B) LOANS REPAYABLE ON DEMAND</b>	-	-	-	-
<b>Secured loan</b>	-	-	-	-
<b>(a) From Banks</b>	1184.50	825.20	722.97	621.10
<b>TOTAL</b>	<b>1635.72</b>	<b>1,264.49</b>	<b>1,124.45</b>	<b>947.66</b>

Note:

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE - 6 (A) and NOTE 6 (B)

**Note 9**  
**RESTATED STATEMENT OF TRADE PAYABLES**

(Rs. In lacs)

Consolidated as at December 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	405.05	-	-	-	405.05
(ii)Others	2,726.55	91.77	7.51	32.36	2,858.19
(iii)Disputed dues - MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>3,131.60</b>	<b>91.77</b>	<b>7.51</b>	<b>32.36</b>	<b>3,263.24</b>

Standalone as at March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	144.79	-	-	-	<b>144.79</b>
(ii)Others	2,228.70	19.31	9.80	31.96	<b>2,289.77</b>
(iii)Disputed dues – MSME	-	-	-	-	-

(iv)Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>2,373.49</b>	<b>19.31</b>	<b>9.80</b>	<b>31.96</b>	<b>2,434.56</b>

**Standalone as at March 2022**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	160.52	-	-	-	<b>160.52</b>
(ii)Others	1,841.38	66.91	116.95	15.32	<b>2,040.56</b>
(iii)Disputed dues - MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>2,001.91</b>	<b>66.91</b>	<b>116.95</b>	<b>15.32</b>	<b>2,201.09</b>

**Standalone as at March 2021**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	-	-	-	-
(ii)Others	1,860.41	186.49	13.96	0.01	<b>2,060.86</b>
(iii)Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>1,860.41</b>	<b>186.49</b>	<b>13.96</b>	<b>0.01</b>	<b>2,060.86</b>

**Note 10**

**RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>(a) Other payables</b>				
Advance from customers	911.93	827.91	863.47	876.13
Statutory dues	21.70	130.87	69.50	45.94
Employee dues payable:				
- Director's	18.39	10.49	10.95	3.59
- Other staff	73.04	49.08	35.21	29.75
Others Current Liabilities	3.66	7.50	3.52	0.40
<b>TOTAL</b>	<b>1028.72</b>	<b>1,025.85</b>	<b>982.65</b>	<b>955.81</b>

**Note 11**

**RESTATED STATEMENT OF SHORT TERM PROVISIONS**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>(a) Provision for employee benefit</b>				
Provision for Bonus	(8.95)	24.45	20.70	15.00
Provision for Gratuity (refer note 38)	14.38	9.65	6.94	6.01
Provision for Leave Encashment	-	0.15	-	-
<b>(b) Others (specify nature)</b>	-	-	-	-

Provision for Audit Fees	-	0.68	0.75	0.75
Provision for Corporate Social Responsibility (refer note 36)	10.01	10.01	-	-
Provision for Other expenses	11.77	10.30	16.70	7.50
Provision for Income Tax (Net of TDS and Advance Tax)	186.46	126.31	78.25	22.14
<b>TOTAL</b>	<b>213.68</b>	<b>181.55</b>	<b>123.35</b>	<b>51.39</b>



**Note 12**

**RESTATED STATEMENT OF PROPERTY, PLANT & EQUIPMENT**

**FY 2023-24 (upto Dec.23)**

**(Rs. In lacs)**

Sr. No	Particulars	Life	Rate	Gross Block				Depreciation				Net Block	
				1.04.2023	Addition during the year	Deletion during the year	31.12.2023	1.04.2023	Addition during the year	Deletion during the year	31.12.2023	WDV as on 31.12.2023	WDV as on 31.03.2023
1	Land		0.00%	842.80	-		842.80	-	-		-	842.80	842.80
2	Building	60	4.87%	1,493.11	2.18		1,495.29	279.32	44.48		323.79	1,171.49	1,213.79
3	Plant & Machinery	15	18.10%	759.38	11.55		770.93	366.07	54.26		420.32	350.61	393.31
4	Furniture & Fixtures	10	25.89%	39.86	10.94		50.81	21.64	5.01		26.65	24.16	18.22
5	Vehicle	8	31.23%	256.97	73.51		330.48	195.46	27.10		222.56	107.92	61.51
6	Office Equipment	5	45.07%	44.66	7.24		51.90	31.86	5.97		37.83	14.08	12.80
7	Computers	3	63.16%	53.63	9.97		63.60	40.86	8.38		49.24	14.36	12.77
<b>TOTAL</b>				<b>3,490.41</b>	<b>115.40</b>	<b>-</b>	<b>3605.81</b>	<b>935.20</b>	<b>145.19</b>	<b>-</b>	<b>1080.39</b>	<b>2525.42</b>	<b>2,555.21</b>

**FY 2022-23**

**(Rs. In lacs)**

Sr. No	Particulars	Life	Rate	Gross Block				Depreciation				Net Block	
				1.04.2022	Addition during the year	Deletion during the year	31.03.2023	1.04.2022	Addition during the year	Deletion during the year	31.03.2023	WDV as on 31.03.2023	WDV as on 31.03.2022
1	Land		0.00%	842.80	-	-	842.80	-	-	-	-	842.80	842.80
2	Building	60	4.87%	1,481.18	11.93	-	1,493.11	217.36	61.96	-	279.32	1,213.79	1,263.82
3	Plant & Machinery	15	18.10%	619.71	139.67	-	759.38	285.63	80.43	-	366.07	393.31	334.08
4	Furniture & Fixtures	10	25.89%	26.47	13.40	-	39.86	16.83	4.81	-	21.64	18.22	9.64
5	Vehicle	8	31.23%	263.96	-	6.99	256.97	174.31	27.93	6.78	195.46	61.51	89.65
6	Office Equipment	5	45.07%	32.69	11.97	-	44.66	25.03	6.82	-	31.86	12.80	7.65
7	Computers	3	63.16%	38.50	15.13	-	53.63	31.43	9.43	-	40.86	12.77	7.07
<b>TOTAL</b>				<b>3,305.31</b>	<b>192.09</b>	<b>6.99</b>	<b>3,490.41</b>	<b>750.60</b>	<b>191.39</b>	<b>6.78</b>	<b>935.20</b>	<b>2,555.21</b>	<b>2,554.72</b>

**FY 2021-22**

**(Rs. In lacs)**

Sr. No	Particulars	Life	Rate	Gross Block				Depreciation				Net Block	
				1.04.2021	Addition during the year	Deletion during the year	31.03.2022	1.04.2021	Addition during the year	Deletion during the year	31.03.2022	WDV as on 31.03.2022	WDV as on 31.03.2021
1	Land		0.00%	842.80	-	-	842.80	-	-	-	-	842.80	842.80
2	Building	60	4.87%	1,420.31	60.87	-	1,481.18	155.30	62.06	-	217.36	1,263.82	1,265.01
3	Plant & Machinery	15	18.10%	586.74	32.98	-	619.71	212.61	73.02	-	285.63	334.08	374.13
4	Furniture & Fixtures	10	25.89%	21.49	4.98	-	26.47	14.50	2.33	-	16.83	9.64	6.98
5	Vehicle	8	31.23%	209.10	73.01	18.15	263.96	160.01	30.43	16.13	174.31	89.65	49.09
6	Office Equipment	5	45.07%	26.44	6.25	-	32.69	22.68	2.35	-	25.03	7.65	3.76
7	Computers	3	63.16%	30.78	7.72	-	38.50	27.25	4.18	-	31.43	7.07	3.53
<b>TOTAL</b>				<b>3,137.66</b>	<b>185.80</b>	<b>18.15</b>	<b>3,305.31</b>	<b>592.36</b>	<b>174.37</b>	<b>16.13</b>	<b>750.60</b>	<b>2,554.72</b>	<b>2,545.30</b>

FY 2020-21

(Rs. In lacs)

Sr. No	Particulars	Life	Rate	Gross Block				Depreciation				Net Block	
				1.04.2020	Addition during the year	Deletion during the year	31.03.2021	1.04.2020	Addition during the year	Deletion during the year	31.03.2021	WDV as on 31.03.2021	WDV as on 31.03.2020
1	Land		0.00%	842.80	-	-	842.80	-	-	-	-	842.80	842.80
2	Building	60	4.87%	1,411.12	22.66	13.47	1,420.31	92.05	63.95	0.70	155.30	1,265.01	1,319.07
3	Plant & Machinery	15	18.10%	572.05	39.68	25.00	586.74	135.54	77.07	-	212.61	374.13	436.51
4	Furniture & Fixtures	10	25.89%	19.92	1.57	-	21.49	12.53	1.98	-	14.50	6.98	7.39
5	Vehicle	8	31.23%	209.10	-	-	209.10	137.72	22.29	-	160.01	49.09	71.38
6	Office Equipment	5	45.07%	24.22	2.21	-	26.44	20.61	2.08	-	22.68	3.76	3.62
7	Computers	3	63.16%	27.07	3.71	-	30.78	25.18	2.08	-	27.25	3.53	1.90
<b>TOTAL</b>				<b>3,106.29</b>	<b>69.84</b>	<b>38.47</b>	<b>3,137.66</b>	<b>423.62</b>	<b>169.44</b>	<b>0.70</b>	<b>592.36</b>	<b>2,545.30</b>	<b>2,682.67</b>

**Note 13**

**RESTATED STATEMENT OF INTANGIBLE ASSETS**

**FY 2023-24(upto Dec.'23)**

Sr. No	Particulars	Life	Rate	Gross Block				Depreciation				Net Block	
				1.04.2023	Addition during the year	Deletion during the year	31.12.2023	1.04.2023	Addition during the year	Deletion during the year	31.12.2023	WDV as on 31.12.2023	WDV as on 31.03.2023
1	Software	5	45.07%	34.64	4.60	-	39.24	25.57	3.54	-	29.12	10.13	9.07
	<b>TOTAL</b>			<b>34.64</b>	<b>-</b>	<b>-</b>	<b>39.23</b>	<b>25.57</b>	<b>1.55</b>	<b>-</b>	<b>27.13</b>	<b>7.52</b>	<b>9.07</b>

**FY 2022-23**

Sr. No	Particulars	Life	Rate	Gross Block				Depreciation				Net Block	
				1.04.2022	Addition during the year	Deletion during the year	31.03.2023	1.04.2022	Addition during the year	Deletion during the year	31.03.2023	WDV as on 31.03.2023	WDV as on 31.03.2022
1	Software*	5	45.07%	26.14	8.50		34.64	21.74	3.83		25.57	9.07	4.40
	<b>TOTAL</b>			<b>26.14</b>	<b>8.50</b>		<b>34.64</b>	<b>21.74</b>	<b>3.83</b>		<b>25.57</b>	<b>9.07</b>	<b>4.40</b>

**FY 2021-22**

Sr. No	Particulars	Life	Rate	Gross Block				Depreciation				Net Block	
				1.04.2021	Addition during the year	Deletion during the year	31.03.2022	1.04.2021	Addition during the year	Deletion during the year	31.03.2022	WDV as on 31.03.2022	WDV as on 31.03.2021
1	Software	5	45.07%	25.64	0.51		26.14	18.38	3.36		21.74	4.40	7.25
	<b>TOTAL</b>			<b>25.64</b>	<b>0.51</b>		<b>26.14</b>	<b>18.38</b>	<b>3.36</b>		<b>21.74</b>	<b>4.40</b>	<b>7.25</b>

**FY 2020-21**

Sr. No	Particulars	Life	Rate	Gross Block				Depreciation				Net Block	
				1.04.2020	Addition during the year	Deletion during the year	31.03.2021	1.04.2020	Addition during the year	Deletion during the year	31.03.2021	WDV as on 31.03.2021	WDV as on 31.03.2020
1	Software	5	45.07%	23.49	2.15		25.64	6.07	12.32		18.38	7.25	17.42
	<b>TOTAL</b>			<b>23.49</b>	<b>2.15</b>		<b>25.64</b>	<b>6.07</b>	<b>12.32</b>		<b>18.38</b>	<b>7.25</b>	<b>17.42</b>

\*During the FY 2022-23, the company has changed its accounting policy to charge depreciation on the Intangible Assets (Softwares) from at the rate of 10% to 45.07% i.e. new changed life adopted by the company is 5 years. Accordingly, impact of the same has been considered in the restated financials.

**Note 14**

**RESTATED STATEMENT OF DEFERRED TAX ASSETS (NET)**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>Impact of expenditure charges to P&amp;L this year, but allowed in Income Tax Act in later years:</b>				
Depreciation	(46.55)	10.87	(22.07)	(12.34)
Provision for Bonus Payable		6.15	5.21	3.90
Provision for Gratuity	26.68	21.14	15.62	15.14
Provision for Compensated absences		0.41	-	-
<b>TOTAL</b>	<b>(19.88)</b>	<b>38.58</b>	<b>(1.24)</b>	<b>6.70</b>

**Note 15**

**RESTATED STATEMENT OF LONG TERM LOANS AND ADVANCES**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>(A) Others Loans and advances</b>				
(a)Secured, considered good	-	-	-	-
(b)Unsecured considered good				-
Advance to Suppliers	113.12	119.11	123.32	139.97
(c )Doubtful	-	-	-	-
<b>TOTAL</b>	<b>113.12</b>	<b>119.11</b>	<b>123.32</b>	<b>139.97</b>

**Note 16**

**RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>(a)Unsecured considered good</b>				-
Security Deposit	28.98	28.29	27.30	38.54
Balances with Government Authorities	0.04-	19.10	19.10	-
FDs against Bank Guarantee	6.74	2.24	1.81	-
<b>TOTAL</b>	<b>35.76</b>	<b>49.62</b>	<b>48.21</b>	<b>38.54</b>

**Note 17**

**RESTATED STATEMENT OF INVENTORIES**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
(a) Raw material	2725.81	2,100.98	1,207.21	569.48
(b) Work-in-progress	2605.57	1,538.72	1,796.51	2,225.83
(c) Finished goods	882.09	1,325.95	671.43	338.91
<i>(As certified by the management)</i>				

<b>TOTAL</b>	<b>6213.46</b>	<b>4,965.65</b>	<b>3,675.16</b>	<b>3,134.23</b>
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**Note 18**  
**RESTATED STATEMENT OF TRADE RECEIVABLES**

(Rs. In lacs)

**Consolidated as at December, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 month	6 month - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	372.06	82.39	24.17	-	181.62	<b>660.24</b>
(ii) Undisputed Trade receivables — considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables — considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>372.06</b>	<b>82.39</b>	<b>24.17</b>	<b>-</b>	<b>181.62</b>	<b>660.24</b>

**Standalone as at March, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 month	6 month - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	109.05	34.17	45.96	35.13	134.88	<b>359.18</b>
(ii) Undisputed Trade receivables — considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables — considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>109.05</b>	<b>34.17</b>	<b>45.96</b>	<b>35.13</b>	<b>134.88</b>	<b>359.18</b>

**Standalone as at March, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 month	6 month - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	75.82	71.78	41.19	60.31	165.58	<b>414.68</b>
(ii) Undisputed Trade receivables — considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables — considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>75.82</b>	<b>71.78</b>	<b>41.19</b>	<b>60.31</b>	<b>165.58</b>	<b>414.68</b>

**Standalone as at March, 2021**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 month	6 month - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	66.35	16.82	63.04	55.74	120.65	<b>322.60</b>
(ii) Undisputed Trade receivables — considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-

(iv) Disputed Trade receivables — considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>66.35</b>	<b>16.82</b>	<b>63.04</b>	<b>55.74</b>	<b>120.65</b>	<b>322.60</b>

**Note 19**

**RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
Cash in hand	0.55	2.08	13.05	11.00
Balance with Banks	1.71	0.55	1.50	32.48
Fixed Deposit with Bank	1.00	1.00	109.10	53.07
<b>TOTAL</b>	<b>3.25</b>	<b>3.63</b>	<b>123.66</b>	<b>96.55</b>

**Note 20**

**RESTATED STATEMENT OF SHORT TERM LOANS AND ADVANCES**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
<b>Others Loans and advances</b>				
(a)Secured, considered good	-	-	-	-
(b)Unsecured considered good				
Advances to Suppliers	109.18	26.31	171.23	-
Advances to Staff	128.29	98.30	117.85	208.50
(c )Doubtful	-	-	-	-
<b>TOTAL</b>	<b>237.47</b>	<b>124.61</b>	<b>289.09</b>	<b>208.50</b>

**Note 21**

**RESTATED STATEMENT OF OTHER CURRENT ASSETS**

(Rs. In lacs)

Particulars	Consolidated As at 31st December, 2023	Standalone As at 31st March, 2023	Standalone As at 31st March, 2022	Standalone As at 31st March, 2021
(a)Unsecured considered good				
Interest Receivable	1.21	1.21	1.53	2.65
Balances with Government Authorities	88.51	13.61	46.49	67.42
Prepaid Expenses	63.02	10.63	4.76	3.39
Others Current assets	26.40	8.51	2.65	2.62
<b>TOTAL</b>	<b>179.13</b>	<b>33.97</b>	<b>55.43</b>	<b>76.08</b>

**Note 22**

**RESTATED STATEMENT OF REVENUE FROM OPERATIONS**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone for the year ended 31 March, 2023	Standalone for the year ended 31 March, 2022	Standalone for the year ended 31 March, 2021
<b>Revenue from operations</b>				
a) Sale of products:				
Domestic Sales	7,671.53	9,677.37	7,648.83	4,605.41
Export Sales	569.62	188.95	137.23	127.51
b) Sale of services	37.86	35.15	17.06	9.58
	8,279.01	<b>9,901.48</b>	<b>7,803.12</b>	<b>4,742.51</b>
<b>Other Operating revenue</b>				
Installation Charges on Machine	-	-	0.51	0.13
Insurance Income on Sale	20.37	29.65	19.26	12.89
Packaging charges on Sale Bill	3.36	3.63	3.02	2.10
Freight Charges on Sales	-	0.65	2.17	1.30
Other Charges	-	7.34	-	-
Transportation on Sale	25.74	13.59	7.20	2.35
	49.47	<b>54.86</b>	<b>32.15</b>	<b>18.76</b>
<b>TOTAL</b>	<b>8328.48</b>	<b>9,956.34</b>	<b>7,835.27</b>	<b>4,761.27</b>

**Note 23**

**RESTATED STATEMENT OF OTHER INCOME**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone for the year ended 31 March, 2023	Standalone for the year ended 31 March, 2022	Standalone for the year ended 31 March, 2021
<b>(A) Interest Income</b>				
Bank Interest Income	-	5.08	6.53	5.96
<b>(B) Other non-operating income (net of expenses directly attributable to such income)</b>				
	-	-	-	-
Advance from Customer / Sundry Creditors written back	36.60	72.56	25.48	-
Subsidy Income	25.35	19.96	33.39	65.75
Duty Drawback / MEIS Credit	7.45	0.88	3.16	1.09
Insurance Claim Received	1.88	11.30	2.75	-
<b>TOTAL</b>	<b>71.28</b>	<b>109.78</b>	<b>71.31</b>	<b>72.80</b>

**Note 24**

**RESTATED STATEMENT OF COST OF RAW MATERIAL & COMPONENTS CONSUMED**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone for the year ended 31 March, 2023	Standalone for the year ended 31 March, 2022	Standalone for the year ended 31 March, 2021
<b>(a) Raw Materials and Stores and Spares</b>				
at the beginning of the year	2,100.98	1,207.21	569.48	239.18

Add : Purchases made during the year	5676.72	7,118.39	5,481.91	3,496.17
at the end of the year	(2725.81)	(2,100.98)	(1,207.21)	(569.48)
<b>TOTAL</b>	<b>5051.89</b>	<b>6,224.62</b>	<b>4,844.17</b>	<b>3,165.87</b>

**Note 25**

**RESTATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS & WIP**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone for the year ended 31 March, 2023	Standalone for the year ended 31 March, 2022	Standalone for the year ended 31 March, 2021
Opening Stock of Finished Goods	1,325.95	671.43	338.91	381.83
Opening Stock of Work in progress	1,538.72	1,796.51	2,225.83	2,047.82
	2,864.67	2,467.94	2,564.75	2,429.65
<b>LESS:</b>				
Closing Stock of Finished Goods	882.09	1,325.95	671.43	338.91
Closing Stock of Work in progress	2,605.57	1,538.72	1,796.51	2,225.83
	3,487.65	2,864.67	2,467.94	2,564.75
<b>TOTAL</b>	<b>(622.98)</b>	<b>(396.73)</b>	<b>96.81</b>	<b>(135.10)</b>

**Note 26**

**RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSES**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone for the year ended 31 March, 2023	Standalone for the year ended 31 March, 2022	Standalone for the year ended 31 March, 2021
(a) Wages and Salary	955.39	794.30	608.71	461.32
(b) Contribution towards:				
i) Provident Fund	29.44	32.26	21.34	17.83
ii) ESIC	4.27	6.77	6.23	6.49
iii) Bonus	39.72	59.44	42.46	18.63
iv) Gratuity (refer note 38)	21.99	22.99	3.83	8.71
v) Leave Encashment	5.48	1.64	-	-
vi) Staff welfare expenses	12.00	7.03	8.33	5.14
<b>TOTAL</b>	<b>1068.29</b>	<b>924.43</b>	<b>690.90</b>	<b>518.12</b>

**Note 27**

**RESTATED STATEMENT OF FINANCE COST**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone for the year ended 31 March, 2023	Standalone for the year ended 31 March, 2022	Standalone for the year ended 31 March, 2021
<b>(a) Interest cost</b>				
Interest on CC facility	102.63	95.01	73.87	70.11
Interest on Term Loans	100.58	145.52	128.37	130.85
Interest on Income Tax	-	11.20	2.75	4.46
Other Interest	-	-	21.65	25.76
<b>(b) Other Finance charges</b>				
Bank Charges	21.95	12.49	11.21	20.27



<b>TOTAL</b>	<b>225.16</b>	<b>264.23</b>	<b>237.84</b>	<b>251.46</b>
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**NOTE 28**

**RESTATED STATEMENT OF OTHER EXPENSES**

(Rs. In lacs)

<b>Particulars</b>	<b>Consolidated For the 9 months period ended 31st December, 2023</b>	<b>Standalone for the year ended 31 March, 2023</b>	<b>Standalone for the year ended 31 March, 2022</b>	<b>Standalone for the year ended 31 March, 2021</b>
<b>(a) Direct Expenses</b>				
Job work charges	462.42	547.20	473.85	260.82
Man Power Service Expenses	150.48	121.72	126.54	53.71
Custom Duty on imported Raw material & charges	85.14	104.63	73.99	32.56
Freight	48.14	66.65	55.53	26.34
Electricity Charges	19.40	30.19	38.38	26.76
Machinery Repair & Maintenance	14.45	28.33	13.16	10.11
Other Direct Expenses	15.88	22.89	14.13	11.33
<b>(b) Indirect Expenses</b>				
Travelling & Conveyance	281.52	276.18	224.81	132.15
Exhibition Expenses	33.37	73.69	23.90	-
Legal & Professional Charges	75.04	62.01	35.89	18.69
Bad debt	39.38	46.92	-	0.34
Dinning Expenses	36.95	46.73	48.63	29.48
Consumables for Workshop	43.31	39.84	19.37	13.11
Tools and Machinery Calibration charges	22.88	36.45	31.93	27.20
Postage & Courier charges	15.07	33.51	14.04	3.64
Insurance Expense	6.16	33.36	31.17	21.02
Office Expenses	31.76	32.34	18.22	1.27
Power & Fuel	23.64	30.34	33.96	12.99
Commission	29.06	25.75	18.94	5.54
GIDC Expenses	-	23.30	6.18	3.36
Security Charges	18.62	21.43	19.41	15.42
Repairing & Maintenance (Vehicle)	15.16	16.65	10.82	6.18
Foreign Exchange Fluctuation Loss	6.77	16.45	(2.71)	(0.63)
Marketing Expenses	6.52	11.73	1.92	1.09
Discount	0.57	10.98	7.46	4.19
Corporate Social Responsibility (refer Note 36)	-	10.01	-	-
Advertisement & publicity	3.85	9.55	1.16	4.25
Loading-Unloading (Sales)	10.16	9.32	6.51	3.07
Asset Written off	-	0.21	-	-
Misc Expenses	64.31	54.27	59.56	36.97
Auditor's Remuneration	-	0.75	0.75	0.75
<b>TOTAL</b>	<b>1560.02</b>	<b>1,843.37</b>	<b>1,407.48</b>	<b>761.72</b>

**NOTE 29**

**RESTATED STATEMENT OF EARNING PER SHARE**

(Rs. In lacs except no. of shares)

<b>Particulars</b>	<b>Consolidated For the 9 months period ended 31st December, 2023</b>	<b>Standalone for the year ended 31 March, 2023</b>	<b>Standalone for the year ended 31 March, 2022</b>	<b>Standalone for the year ended 31 March, 2021</b>
Profit for the year	675	790.01	336	95

Less: Preference share dividend (Including dividend tax)	-	-	-	-
Amount available for equity share holders	675	790.01	336	95
Numbers of equity shares/Weighted average number of shares	83,44,500	83,44,500	83,44,500	83,44,500
<b>Earnings per share Basic/Diluted</b>	<b>8.09</b>	<b>9.47</b>	<b>4.03</b>	<b>1.14</b>

**Note 30**

**RESTATED STATEMENT OF RELATED PARTY DISCLOSURE**

**1) List of related party and related party relationship**

Sr. No	Name of Related Parties	Relationship
1	EM PRESS FORM SOLUTIONS PRIVATE LIMITED	Wholly Owned Subsidiary
2	Ashokkumar Ramjibhai Panchal	Director
3	Dineshkumar Shankarlal Chaudhary	Director
4SS	Sanjay Shantukumar Khankar	Director
5	Satishkumar Kanjibhai Parmar	Director
6	Snehal Narendra Mehta	Director
7	Amishaben Parmar	Relative of Director
8	Jayshree Ben Panchal	Relative of Director
9	Jignaben Chaudhary	Relative of Director
10	Sumitraben Mehta	Relative of Director

**2) Related party transactions**

(Rs in lacs.)

Sr. No	Name of Related Party	Nature Of Transaction	Apr-Dec 2023	FY 2022-23	FY 2021-22	FY 2020-21
			Consolidated	Standalone	Standalone	Standalone
1	Amishaben Parmar	Remuneration / Salary	4.50	6.00	4.20	4.03
2	Ashokkumar Rambhai Panchal	Remuneration / Salary	63.00	36.00	36.00	17.25
		Unsecured Loan given	0.00	4.50	38.03	15.78
3	Dineshkumar Shankarial Chaudhary	Unsecured Loan Recovered	10.00	4.00	37.96	15.92
		Unsecured Loan given	63.00	146.00	120.78	24.75
4	Jayshree Ben Panchal	Unsecured Loan Recovered	65.46	200.77	52.84	25.35
		Remuneration / Salary	54.36	36.00	36.00	17.25
4	Jayshree Ben Panchal	Remuneration / Salary	4.50	6.00	4.20	4.03
5	Jignaben Chaudhary	Remuneration / Salary	4.50	6.00	4.20	4.03
6	Sanjay Shantukumar Khankar	Remuneration / Salary	35.00	36.00	36.00	17.25
		Unsecured Loan given	15.74	19.50	8.00	26.06
		Unsecured Loan Recovered	15.29	19.26	24.34	10.57
7	Satishkumar Kanjibhai Parmar	Factory Rent	4.50	6.00	1.50	0.40
		Remuneration / Salary	63.00	36.00	36.00	17.25
		Unsecured Loan given	33.64	168.40	234.15	37.98
		Unsecured Loan Recovered	79.08	161.59	230.73	45.11
8	Snehal Narendra Mehta	Remuneration / Salary	63.00	36.00	36.00	17.25
		Unsecured Loan given	11.57	18.00	12.00	55.03
		Unsecured Loan Recovered	12.45	17.72	11.55	58.78
9	Sumitraben Menta	Remuneration / Salary	3.00	6.00	4.20	4.03

**3) Related party balance at the end of the year**

(Rs. In lacs)

Sr. No	Name of Related Party	Nature Of Transaction	Apr-Dec 2023	FY 2022-23	FY 2021-22	FY 2020-21
			Consolidated	Standalone	Standalone	Standalone

1	Amishaben Parmar	Remuneration / Salary	0.72	0.72	0.35	0.35
2	Ashokkumar Rambhai Panchal	Remuneration / Salary	4.83	2.24	2.24	1.20
3		Unsecured Loan	10.00	0.09	0.08	0.40
4	Dineshkumar Shankarial Chaudhary	Unsecured Loan	2.38	14.11	67.94	0.32
5		Remuneration / Salary	4.60	2.01	2.24	1.20
6	Jayshree Ben Panchal	Remuneration / Salary	0.72	0.72	0.35	0.35
7	Jignaben Chaudhary	Remuneration / Salary	0.72	0.72	0.35	0.35
8	Sanjay Shantukumar Khankar	Remuneration / Salary	(0.23)	2.00	2.24	1.20
9		Unsecured Loan	-	0.45	0.20	16.55
10	Satischkumar Kanjibhai Parmar	Factory Rent	2.16	6.00	2.02	0.40
11		Remuneration / Salary	4.44	2.24	2.24	-
12		Unsecured Loan	51.00	3.79	9.74	8.51
13	Snehal Narendra Mehta	Remuneration / Salary	4.53	2.01	2.00	-
14		Unsecured Loan	-	0.05	0.45	1.34
15	Sumitraben Mehta	Remuneration / Salary	(0.01)	0.49	0.35	0.35

**NOTE 31**  
**RESTATED STATEMENT OF SEGMENT REPORTING**

Based on the guiding principles given in AS-17 "Segment Reporting" notified under Companies (Accounting Standards) Rules, 2006, the Company's primary business segment in manufacturing of machines. Considering the nature of nature of Company's business and operations, there are no separate reportable business segment, as there is only one business segment and hence, there are no additional disclosures required to be provided other than those already provided in the financial statements.

The analysis of geographical segment is based on the geographical location of the customers. The following tables shows the distribution of the company's consolidated sales by the geographical market, regardless of where the goods were produced.

**Geographical segment**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone For the year ended 31 March, 2023	Standalone For the year ended 31 March, 2022	Standalone For the year ended 31 March, 2021
<b>Revenue (net) by geographical market</b>				
India	7,671.53	9,677.37	7,648.83	4,605.41
Other countries	569.62	188.95	137.23	127.51
<b>Total</b>	<b>8,241.15</b>	<b>9,866.33</b>	<b>7,786.06</b>	<b>4,732.92</b>

**Segment debtors by geographical market:**

The following table shows the carrying amount of segment debtors (net of provision for debtors) by geographical area of the customers:

**Carrying amount of segment debtors**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone For the year ended 31 March, 2023	Standalone For the year ended 31 March, 2022	Standalone For the year ended 31 March, 2021

India	660.24	328.49	414.68	322.60
Other countries	-	30.69	-	-
<b>Total</b>	<b>660.24</b>	<b>359.18</b>	<b>414.68</b>	<b>322.60</b>

The Company has common assets for producing goods for India and outside countries. Hence separate figures for assets/additions to fixed assets cannot be furnished.

**Note 32**

**RESTATED STATEMENT OF CONTINGENT LIABILITIES**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone For the year ended 31 March, 2023	Standalone For the year ended 31 March, 2022	Standalone For the year ended 31 March, 2021
Cases pending before Commissioner Income Tax (Appeals)*	-	40.52	-	-
Cases pending before ITAT*	40.52	-	-	-

\*The Company has involved experts for the case above and the on the basis of advice received from them, the Company believes that no liability with respect to these cases will devolve on the Company. Further, in respect of the appeal filed before Commissioner Income Tax (Appeals), the same was partially allowed in favour of the company vide order dated 04/01/2024. However, the company has filed an appeal before ITAT, Ahmedabad against the CIT (Appeal) Order for the matter not allowed in CIT (Appeals).

**Note 33**

**RESTATED STATEMENT OF VALUE OF IMPORTS ON CIF BASIS**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone For the year ended 31 March, 2023	Standalone For the year ended 31 March, 2022	Standalone For the year ended 31 March, 2021
Raw materials	680.81	1,020.36	698.92	-
<b>Total</b>	<b>680.81</b>	<b>1,020.36</b>	<b>698.92</b>	<b>-</b>

**Note 34**

**RESTATED STATEMENT OF EARNING IN FOREIGN CURRENCY (ON ACCRUAL BASIS)**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended 31st December, 2023	Standalone For the year ended 31 March, 2023	Standalone For the year ended 31 March, 2022	Standalone For the year ended 31 March, 2021
Revenue from Operations (Export Sales)	569.62	188.95	137.23	127.51

**Note 35**

**RESTATED STATEMENT OF EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)**

(Rs. In lacs)

Particulars	Consolidated For the 9 months period ended	Standalone For the year ended 31 March, 2023	Standalone For the year ended 31 March, 2022	Standalone For the year ended 31 March, 2021
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	31st December, 2023			
Travelling	22.58	2.10	-	-

**Note 36**

**RESTATED STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY**

During the financial year 2022-23, as the Net Profit of the company was in excess of Rs. 5 Crores, therefore in compliance of provision of Section 135 of the Companies Act, 2013, the company had created the provision for Corporate Social Responsibility amounting to Rs. 10,00,868/- at the rate of 2% of the Average Net Profit before tax for last 3 years. However, the actual utilization of the same will be done in the FY 2023-24. As during earlier financial year 2021-22 and 2020-21, the net profit of the company was less than Rs. 5 Crores, company was not required to comply with provisions of Section 135 of the Companies Act, 2013.

**Note 37**

**RESTATED STATEMENT OF MISMATCH IN BALANCE OF SECURED LOAN FROM HDFC BANK**

In respect of HDFC Term Loan Account No. 84067814 and 84362704, outstanding balance as per Bank Statement is in excess as compared with balance as per books of accounts amounting to Rs. 34,33,049 and Rs. 14,02,214 respectively as on 31/12/2023, 31/03/2023, 31/03/2022 and 31/03/2021. This excess balance is on account of non-reflection of EMI paid by company during earlier financial years. In this regard, company is already following with the Bank for correction of the same in the Bank Statement and the management believes that it has no impact on the financials of the company.

**Note 38**

**RESTATED STATEMENT OF GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

**Disclosures in accordance with revised AS-15 on "Employee benefits"**

The Company has classified various benefits provided to the employees as under:

(i) Defined Contribution Plans

**Amount recognised in the statement of Profit and Loss**

**(Rs. In lacs)**

Particulars	Consolidated	Standalone			
	For the 9 months period ended 31 December, 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021	
Employer's Contribution to Provident Fund	8.29	9.12	6.03	5.02	
Pension Contribution	18.81	20.70	13.69	11.39	
<b>Total</b>	<b>27.10</b>	<b>29.82</b>	<b>19.72</b>	<b>16.41</b>	

(ii) Defined Benefit Plans

The Company has a defined gratuity plan. Every employee who has completed five years (not applicable for death/disability) or more of services, gets a gratuity on departure at 15 days basis salary (last drawn) for each completed year of service on terms not less favourable than the provisions of the payment of Gratuity Act, 1972. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the defined benefit obligation recognised in the balance sheet.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

**Statement of Profit and Loss**

**Net employee benefit expense (recognised in employee cost)**

**(Rs. In lacs)**

Particulars	Consolidated	Standalone		
	For the 9 months period ended	Year ended	Year ended	Year ended

	31 December, 2023	31 March 2023	31 March 2022	31 March 2021
Current Service Cost	10.73	10.94	9.35	9.71
Interest cost	4.73	4.07	3.51	2.84
Net actuarial loss/(gain) recognised in the year	6.53	6.93	(9.03)	(3.84)
<b>Net benefit expenses</b>	<b>21.99</b>	<b>21.94</b>	<b>3.83</b>	<b>8.71</b>

### Balance Sheet

Changes in the present value of the defined benefit obligation are as follows:

(Rs. In lacs)

Particulars	Consolidated	Standalone			
	For the 9 months period ended 31 December, 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021	
Opening defined benefit obligation	84.00	62.06	58.23	49.52	
Interest cost	4.73	4.07	3.51	2.84	
Current Service Cost	10.73	10.94	9.35	9.71	
Actuarial (gains)/ losses on obligation	6.53	6.93	(9.03)	(3.84)	
<b>Closing defined benefit obligation</b>	<b>105.99</b>	<b>84.00</b>	<b>62.06</b>	<b>58.23</b>	

The principal assumption used in determining gratuity for the company's plans are shown below:

Particulars	Consolidated	Standalone			
	For the 5 months period ended 31 December, 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021	
Discount rate	7.35% p.a.	7.45% p.a.	6.95% p.a.	6.35% p.a.	
Salary increment rate	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.	
<b><u>Mortality Table</u></b>					
Age (in years)					
20	0.09%	0.09%	0.09%	0.09%	
30	0.10%	0.10%	0.10%	0.10%	
40	0.17%	0.17%	0.17%	0.17%	
50	0.44%	0.44%	0.44%	0.44%	
60	1.12%	1.12%	1.12%	1.12%	
<b><u>Withdrawal</u></b>					
Up to age 25 years	20.00% p.a.	20.00% p.a.	20.00% p.a.	20.00% p.a.	
25-35 years	15.00% p.a.	15.00% p.a.	15.00% p.a.	15.00% p.a.	
35-45 years	10.00% p.a.	10.00% p.a.	10.00% p.a.	10.00% p.a.	
45-55 years	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.	
55 years and above	1.00% p.a.	1.00% p.a.	1.00% p.a.	1.00% p.a.	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the current and previous years are as follows:

(Rs. In lacs)

Particulars	Consolidated	Standalone			
	As at	As at	As at	As at	As at

	31st December 2023	31 March 2023	31 March 2022	31 March 2021
Defined benefit obligation	105.99	84.00	62.06	58.23
Plan assets	-	-	-	-
<b>Surplus / (Deficit)</b>	<b>(105.99)</b>	<b>(84.00)</b>	<b>(62.06)</b>	<b>(58.23)</b>
Actual loss/(gain)	-	-	-	-

**Note 39**

The adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

**Note 40**

Certain balances of trade payables, trade receivables, loans and advance are subject to confirmation and adjustment if any will be made on receipt of the same.

**Note 41**

**Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

**Note 42**

**Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**Note 43**

**Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financials Statements**

There have been no audit qualifications/observations in Statutory Auditor's Report for the year ended 31<sup>st</sup>December 2023, 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

**Note 44**

**Material Adjustments**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule III of Companies Act and Accounting Standards issued by ICAI.

**Note 45**

**Statement of Adjustments in the financial statements is presented here below:**

**RECONCILIATION OF RESTATED PROFIT:**

**(Rs. In lacs)**

Particulars	Consolidated	Standalone		
	31st December, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	674.80	737.49	339.39	90.83
<b>Adjustments for</b>				
Provision for gratuity	-	62.06	(7.01)	
Provision for Bonus	-	-	15.00	(15.00)
Change in Depreciation		12.22	(1.60)	(10.62)
(Short)/excess Provision of deferred tax	-	(18.96)	(9.61)	30.11
(Short)/excess of Provision of tax	-	(2.81)	-	-

Prior Period Expenses	-	-	-	
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>674.80</b>	<b>790.01</b>	<b>336.17</b>	<b>95.32</b>

**Note:-**

- a) The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits issued by ICAI.
- b) Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years.

**Note 46**

**The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below:-**

**RECONCILIATION OF EQUITY AND RESERVES:**

**(Rs. In lacs)**

Particulars	31 <sup>st</sup> December, 2023	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Equity and Reserves as per Audited Balance Sheet	3027.82	2356.10	1618.60	1279.20
<b>Adjustments for</b>				
Difference to charge in P&L	-	(3.07)	(55.59)	(52.37)
<b>Equity and Reserves as per Restated Balance Sheet</b>	<b>3027.82</b>	<b>2353.03</b>	<b>1563.01</b>	<b>1226.83</b>

**Note 47**

**Other Information**

- a) The Company has increased its Authorised Share Capital to Rs. 13,00,00,000/-divided into 1,30,00,000 equity shares of 10 each from Rs. 4,00,00,000/- divided into 40,00,000 equity shares of 10/- each on 15<sup>th</sup> July, 2023.
- b) The company has allotted 55,63,000 equity shares of Rs. 10 each by way of Bonus in the ratio of 2:1 on 15<sup>th</sup> July, 2023.

**Note 48**

**Additional Disclosures**

- a) Title Deeds of all the immovable properties (other than properties where the Company is the lease and the lease agreements are duly executed in favour of the lease) are held in the name of the company.
- b) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and roles made there under.
- c) The Company has not revalued its property, plant and equipment or intangible assets or both during the year.
- d) The Company has been sanctioned working capital amounts from banks on the basis of security of inventories, Cash and cash equivalents and Trade receivables. The company is regular in filing the monthly return/stock statement with bank.
- e) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- f) The Company does not have any material transactions with struck-off Companies.
- g) The Company do not have any charges or satisfaction which is yet to be registered with Registrars of Companies (ROC) beyond the statutory period.
- h) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- i) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.



j) The Company has not granted loans or advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

k) The Company have not advanced or loaned of invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall,

(1) Directly or indirectly lend or invest in other persons of entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(2) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

l) The Company have not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall,

(1) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Pany (Ultimate Beneficiaries) or

(2) Received any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

#### Note 49

The Parliament has approved the Code on Social Security, 2020 which could have a likely impact on the contributions made by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13<sup>th</sup> November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The effective date from which the Code and applicable rules shall be applicable is yet to be notified. The Company shall assess and evaluate the likely financial impact once the subject rules are notified and become effective.

#### Note 50

Previous year figures have been regrouped/rearranged where considered necessary to confirm those of current year classification.

#### Note 51

#### RESTATED STATEMENT OF TAX SHELTER

(Rs. In lacs)

Particulars	Consolidated 31 <sup>st</sup> December 2023	Standalone 31st March, 2023	Standalone 31st March, 2022	Standalone 31st March, 2021
Restated profit before tax as per books (A)	968.64	1,010.98	451.65	98.29
<b>Tax Rates</b>	-	-	-	-
Income Tax Rate (%)	25.17%	25.17%	25.17%	26.00%
<b>Adjustments : (B)</b>				
Disallowed	-	21.92	6.29	7.89
<b>Timing Difference (C)</b>	-	-	-	-
Book Depreciation	148.74	195.22	177.72	173.71
Income Tax Depreciation	(169.07)	(253.99)	(217.91)	(218.45)
Bonus	(33.40)	3.75	5.70	15.00
Provisions for Gratuity	21.99	21.94	7.01	55.06
Provisions for Compensated Absences	(1.64)	1.64	-	-
<b>Total Timing Difference</b>	<b>(33.39)</b>	<b>(31.43)</b>	<b>(27.48)</b>	<b>25.31</b>
Net Adjustment D= (B+C)	(33.39)	(9.51)	(21.18)	33.21
<b>Income from Capital Gains (E)</b>		-	-	-
<b>Income from Other Sources (F)</b>		-	-	-
Taxable Income/(Loss) (A+D+E+F)	935.25	1001.47	430.47	131.50
Income Tax Payable on Above	235.38	252.05	108.34	34.19
Interest Payable		8.74		
<b>Total Provision for Tax</b>	<b>235.38</b>	<b>260.79</b>	<b>108.34</b>	<b>34.19</b>

**NOTE 52**  
**CAPITALISATION STATEMENT AS AT 31ST DECEMBER, 2023**

(Rs. In lacs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,635.72	*
Long term debt (B)	697.33	*
<b>Total debts (C)</b>	<b>2,333.05</b>	*
<b>Shareholders' Funds</b>		
Equity Share Capital	834.45	*
Reserves and Surplus - as restated	2,193.37	*
<b>Total Shareholders' Funds</b>	<b>3,027.82</b>	*
<b>Long term Debt / shareholders' fund</b>	<b>0.23</b>	*
<b>Total Debt / shareholders' fund</b>	<b>0.77</b>	*

(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on Restated statement of Assets and liabilities of the Company as at 31.12.2023

**NOTE 53**  
**RESTATED STATEMENT ON MANDATORY ACCOUNTING RATIOS**

(Rs. In lacs except no. of shares)

Particulars	Consolidated 31st December, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Net Worth (A)	3,027.82	2,353.02	1,563.01	1,226.84
Adjusted Profit after Tax (B)	674.80	790.01	336.17	95.33
Number of Equity Share outstanding as on the End of Year (C)	8,344,500	27,815	27,815	27,815
Weighted average no of Equity shares at the time of end of the year (D)	8,344,500	8,344,500	8,344,500	8,344,500
Face Value per Share	10	1,000	1,000	1,000
Restated Basic and Diluted Earning Per Share (B/D) (Rs.)	8.09	9.47	4.03	1.14
Return on Net worth (%) (B/A)	22.29%	33.57%	21.51%	7.77%
Net asset value per share (A/C) (Face Value of 10 Each for the period ended 31st Dec 2023) (Face Value of 1000 Each for the earlier periods) (Based on Actual Number of Shares)	36.29	8,459.52	5,619.32	4,410.71
Net asset value per share (A/D) (Face Value of 10 Each) (Based on Weighted Average Number of Shares)	36.29	28.20	18.73	14.70

EBITDA	1,271.26	1,360.64	795.91	450.66
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**Notes:**

- 1) The ratios have been computed as below:
  - (a) Basic earnings per share (Rs.): Net profit after tax as restated for calculating basic EPS/ Weighted average number of equity shares outstanding at the end of the year
  - (b) Diluted earnings per share (Rs.): Net profit after tax as restated for calculating diluted EPS/ Weighted average number of equity shares outstanding at the end of the year for diluted EPS
  - (c) Return on net worth (%): Net profit after tax (as restated)/ Net worth at the end of the year
  - (d) Net assets value per share: Net Worth at the end of the period or year/ Total number of equity shares outstanding at the end of the year
- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- 3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
- 4) The figures disclosed above are based on the restated summary statements of the Company.
- 5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- 6) During the period ended 31/08/2023, each Equity Share having Face Value of Rs. 1000/- has been split into 100 Equity Shares of Rs. 10/- each. Further, the effect of the same has been considered for calculating the Weighted Average Shares for the end of each year.

Ratios		As at 31 <sup>st</sup> December, 2023	
Current Ratio	Current Assets	7293.56	1.19
	Current Liabilities	6141.35	
Debt-Equity Ratio	Total Debt	2333.05	0.77
	Equity	3027.82	
Debt Service Coverage Ratio	Net Operating Income	1171.85	2.60
	Current Debt Obligation	451.22	
Return on Equity Ratio	Net Profit after Tax	674.80	0.25
	Equity	2690.42	
Inventory turnover ratio	Cost of Goods Sold	4,428.91	0.79
	Average Inventory	5,589.56	
Trade Receivables turnover ratio	Turnover	8,328.48	16.34
	Average Trade Receivables	509.71	
Trade payables turnover ratio	Purchases	5,676.72	2.21
	Average Trade Payable	2,573.98	
Net capital turnover ratio	Turnover	8,328.48	3.10
	Capital	2,690.42	
Net profit ratio	Profit after Tax	674.80	0.08
	Total Income	8,399.76	
Return on Capital employed	Profit before interest & tax	1,193.81	0.22
	Capital Employed	5,360.86	
Return on investment	Profit after Tax	674.80	0.07
	Total Assets	9,958.11	

Ratios		As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022		% Change	Remarks
Current Ratio	Current Assets	5,487.05	1.12	4,558.01	1.03	8.73%	Below 25% variance
	Current Liabilities	4,906.45		4,431.54			
Debt-Equity Ratio	Total Debt	2,187.82	0.93	2,457.23	1.57	-40.86%	Due to Increase in profitability during the financial year
	Equity	2,353.02		1,563.01			
Debt Service Coverage Ratio	Net Operating Income	1,262.72	2.87	678.29	1.69	70.14%	Due to Increase in profitability during the financial year
	Current Debt Obligation	439.29		401.48			

Return on Equity Ratio	<u>Net Profit after Tax</u> Equity	<u>790.01</u> 1,958.01	0.40	<u>336.17</u> 1,394.93	0.24	67.42%	Due to Increase in profitability during the financial year
Inventory turnover ratio	<u>Cost of Goods Sold</u> Average Inventory	<u>5,827.89</u> 4,320.41	1.35	<u>4,940.98</u> 3,404.69	1.45	-7.05%	Below 25% variance
Trade Receivables turnover ratio	<u>Turnover</u> Average Trade Receivables	<u>9,956.34</u> 386.93	25.73	<u>7,835.27</u> 368.64	21.25	21.06%	Below 25% variance
Trade payables turnover ratio	<u>Purchases</u> Average Trade Payable	<u>7,118.39</u> 2,165.17	3.29	<u>5,481.91</u> 2,050.71	2.67	22.99%	Below 25% variance
Net capital turnover ratio	<u>Turnover</u> Capital	<u>9,956.34</u> 1,958.01	5.08	<u>7,835.27</u> 1,394.93	5.62	-9.47%	Below 25% variance
Net profit ratio	<u>Profit after Tax</u> Total Income	<u>790.01</u> 10,066.12	0.08	<u>336.17</u> 7,906.57	0.04	84.58%	Due to increase in Revenue from operations and reduction in raw material prices.
Return on Capital employed	<u>Profit before interest &amp; tax</u> Capital Employed	<u>1,275.20</u> 4,540.84	0.28	<u>689.49</u> 4,020.24	0.17	63.74%	Due to increase in PBIT on account increase in Revenue from operations and reduction in raw material prices.
Return on investment	<u>Profit after Tax</u> Total Assets	<u>790.01</u> 8,258.65	0.10	<u>336.17</u> 7,382.45	0.05	110.07%	Due to increase in PBIT on account increase in Revenue from operations, reduction in raw material prices and deferred tax assets.

Ratios		As at 31st March, 2022		As at 31st March, 2021		% Change	Remarks
Current Ratio	<u>Current Assets</u> Current Liabilities	<u>4,558.01</u> 4,431.54	1.03	<u>3,837.95</u> 4,015.73	0.96	7.62%	Below 25% variance
Debt-Equity Ratio	<u>Total Debt</u> Equity	<u>2,457.23</u> 1,563.01	1.57	<u>2,228.58</u> 1,226.84	1.82	-13.45%	Below 25% variance
Debt Service Coverage Ratio	<u>Net Operating Income</u> Current Debt Obligation	<u>678.29</u> 401.48	1.69	<u>329.48</u> 326.56	1.01	67.45%	Due to Increase in profitability during the FY 2021-22
Return on Equity Ratio	<u>Net Profit after Tax</u> Equity	<u>336.17</u> 1,394.93	0.24	<u>95.33</u> 613.42	0.16	55.08%	Due to Increase in profitability during the FY 2021-22
Inventory turnover ratio	<u>Cost of Goods Sold</u> Average Inventory	<u>4940.98</u> 3404.69	1.45	<u>3,030.77</u> 1,567.12	1.93	-24.96%	Due to Increase in revenue from operations during the FY 2021-22
Trade Receivables turnover ratio	<u>Turnover</u> Average Trade Receivables	<u>7835.27</u> 368.64	21.25	<u>4,761.27</u> 161.30	29.52	-28.00%	Due to Increase in Purchase during the FY 2021-22
Trade payables turnover ratio	<u>Purchases</u> Average Trade Payable	<u>5,481.91</u> 2,050.71	2.67	<u>3,496.17</u> 1,030.43	3.39	-21.21%	Due to Increase in revenue from

							operations during the FY 2021-22
Net capital turnover ratio	<u>Turnover</u> Capital	<u>7,835.27</u> 1,394.93	5.62	<u>4,761.27</u> 613.42	7.76	-27.63%	Due to increase in Revenue from operations and reduction in raw material prices.
Net profit ratio	<u>Profit after Tax</u> Total Income	<u>336.17</u> 7,906.57	0.04	<u>95.33</u> 4,834.07	0.02	115.61%	Due to increase in Revenue from operations and reduction in raw material prices.
Return on Capital employed	<u>Profit before</u> <u>interest &amp; tax</u> Capital Employed	<u>689.49</u> 4,020.24	0.17	<u>349.75</u> 3,455.42	0.10	69.44%	Due to increase in PBIT on account increase in Revenue from operations and reduction in raw material prices.
Return on investment	<u>Profit after Tax</u> Total Assets	<u>336.17</u> 7,382.45	0.05	<u>95.33</u> 6,575.72	0.01	214.12%	Due to increase in PBIT on account increase in Revenue from operations, reduction in raw material prices and deferred tax assets.

### **OTHER FINANCIAL INFORMATION**

The audited financial statements of our Company for the nine months period ended on 31<sup>st</sup> December, 2023 and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.energymission.com](http://www.energymission.com).

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; or (ii) Red Herring Prospectus (iii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

<b>Particulars</b>	<b>Consolidated as at December 31, 2023</b>	<b>Standalone as at March 31, 2023</b>	<b>Standalone as at March 31, 2022</b>	<b>Standalone as at March 31, 2021</b>
Profit After Tax (₹ in lakhs)	674.80	790.01	336.17	95.33
Basic & Diluted Earnings per Share (Based in Weighted Average Number of Shares)	8.09	9.47	4.03	1.14
Return on Net Worth (%)	22.29%	33.57%	21.51%	7.77%
NAV per Equity Shares (Based on Actual Number of Shares)	36.29	8,459.52	5,619.32	4,410.71
NAV per Equity Shares (Based on Weighted Average Number of Shares)	36.29	28.20	18.73	14.70
Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ in lakhs)	1271.26	1,360.64	795.91	450.66

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,  
**The Board of Directors,**  
**ENERGY-MISSION MACHINERIES (INDIA) LIMITED**  
*(formerly known as Energy-Mission Machinerries (India) Private Limited)*  
 E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand Bol  
 Sanand, Ahmedabad, Gujarat-382170

Dear Sir,

Based on the independent examination of Books of Accounts, Restated Financial Statements and other documents of **ENERGY-MISSION MACHINERIES (INDIA) LIMITED** *(formerly known as Energy-Mission Machinerries (India) Private Limited)* (CIN: U29100GJ2011PLC063696) having registered office at above mentioned address and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 31<sup>st</sup> December, 2023 are mentioned below:

**A. SECURED LOANS**

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

**(Amount in Lakhs)**

Sr. No.	Name of Lender	Purpose	Loan Amount	RoI	Primary & Collateral Security	Re-payment Schedule	Moratorium	Outstanding Balance as on 31/12/2023
1	HDFC Bank Limited	Term Loan	797.00	9.60%	Refer Note 6B	52 Structured Equated Monthly Instalment from Sep-2020	6 Months	218.68
2	HDFC Bank Limited	Term Loan	415.00	9.60%	Refer Note 6B	72 Structured Equated Monthly Instalment from Sep-2020	6 Months	221.36
3	HDFC Bank Limited	Cash Credit	1,500.00	9.60%	Refer Note 6B	Repayable on Demand	NA	1,184.50
4	HDFC Bank Limited	Term Loan	135.00	9.60%	Refer Note 6B	96 Structured Equated Monthly Instalment from Sep-2020	6 Months	98.53
5	HDFC Bank Limited	Term Loan	400.00	9.25%	Refer Note 6B	48 Structured Equated Monthly Instalment from Aug-2021	12 Months	88.43
6	HDFC Bank Limited	Term Loan	67.50	9.60%	Refer Note 6B	84 Structured Equated Monthly Instalment from Jul-2022	NA	57.24
7	HDFC Bank Limited	Term Loan	97.50	9.60%	Refer Note 6B	84 Structured Equated Monthly Instalment from May-2022	NA	82.64
8	HDFC Bank Limited	Term Loan	200.00	9.25%	Refer Note 6B	36 Structured Equated Monthly Instalment from May-2024	24 Months	200.00
9	HDFC Bank Limited	NA			Refer Note 6B	Lump sum payment in Oct'24	54 Months	21.65

10	HDFC Bank Limited	NA			Refer Note 6B	Lump sum payment in Oct'24	54 Months	9.01
11	HDFC Bank Limited	NA			Refer Note 6B	NA	NA	-17.73
12	State Bank of India	Term Loan - Vehicle	30.00	9.40%	Refer Note 6B	84 Structured Equated Monthly Instalment from Jul-2017	NA	3.27
13	HDFC Bank Limited	Term Loan - Vehicle	50.00	7.25%	Refer Note 6B	60 Structured Equated Monthly Instalment from Sep-2021	NA	28.90
14	Punjab National Bank Limited	Term Loan - Vehicle	35.00	9.55%	Refer Note 6B	84 Structured Equated Monthly Instalment from Jan-2019	NA	13.45
15	Punjab National Bank Limited	Term Loan - Vehicle	4.19	8.55%	Refer Note 6B	84 Structured Equated Monthly Instalment from Dec-2019	NA	2.07
16	Capital First Limited	LAP	27.50	14.00%	Refer Note 6B	120 Structured Equated Monthly Instalment from Dec-2013	NA	-
17	HDB Financial Services Limited	Term Loan - Vehicle	6.48	10.50%	Refer Note 6B	48 Structured Equated Monthly Instalment from Aug-2018	NA	-
18	Kotak Mahindra Prime Ltd	Term Loan - Vehicle			Refer Note 6B	Structured Equated Monthly Instalment	NA	-
19	HDFC Bank Limited	Term Loan - Vehicle	11.40	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	10.47
20	HDFC Bank Limited	Term Loan - Vehicle	11.40	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	10.47
21	HDFC Bank Limited	Term Loan - Vehicle	8.00	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	7.35
22	HDFC Bank Limited	Term Loan - Vehicle	8.00	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	7.35
23	HDFC Bank Limited	Term Loan - Vehicle	8.00	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	7.35
24	HDFC Bank Limited	Term Loan - Vehicle	8.00	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	7.35
25	HDFC Bank Limited	Term Loan - Vehicle	8.00	8.75%	Refer Note 6B	60 Structured Equated Monthly Instalment from Jul-2023	NA	7.35
	<b>Total Fund Based</b>		<b>3,827.97</b>					<b>2,269.67</b>

## B. UNSECURED LOANS



Sr. No.	Name of Lender	Purpose	Relation	Re-payment Schedule	Outstanding Balance as on 31/12/2023
1	Ashok Panchal	General Purposes	Director	No Schedule	10.00
2	Dineshbhai Chaudhary	General Purposes	Director	No Schedule	2.38
3	Sanjay S. Khankar	General Purposes	Director	No Schedule	-
4	Satish Parmar	General Purposes	Director	No Schedule	51.00
5	Snehal N. Mehta	General Purposes	Director	No Schedule	0.00
	<b>Total</b>				<b>63.38</b>

**PRIMARY/COLLATERAL SECURITY: -**

1. Primary Security of hypothecation of Plant and Machinery, Stock and Book Debts.
2. Equitable Mortgage over the following properties:

Sr No.	Property Description	Type of Property	Owner of Property	Area
1.	PLOT NO 5210, VATVA PHASE 4, NEAR RAMOL POLICE STATION, VATVA, N 313, GIDC – 382445	INDUSTRIAL	SatishKumar Parmar	9,325 Sq. Ft.
2.	PLOT NO 87/1/C, FACTORY LAND & BUILDING, SITUATED AT R S NO 479 & 480, OPP PUSPAK INDUSTRIAL ESTATE, PHASE 1 GIDC, - 382445	INDUSTRIAL	SatishKumar Parmar	3,600 Sq. Ft.
3.	PLOT E 9/3 AND 12, SANAND INDUSTRIAL ESTATE, HIRAPUR, GIDC INDUSTRIAL AREA, NEAR PARLE GLOBAL TECHNOLOGY PVT LTD AT SANAD BLOCK NO 368,371,511 OLD SN NO 208, 211, 378 PAIKI – 382110	INDUSTRIAL	Energy-Mission Machinerics (India) Pvt Ltd	1,46,744 Sq. Ft.
4.	YOGIRAJ BUNGLOW, INDRAPURI TOWNSHIP, THE YOGIRAJ CO OP HO SERVICE SO LTD, SN 132 HISSA NO 1 TPS NO 45 FP NO 132, SUB PLOT NO 1, PAIKI, BLOCK NO 106380008BH, NEAR ANNAPURNA RESTAURANT KHOKHRA	RESIDENTIAL	Dineshbhai Chaudhary	1,290 Sq. Ft.

3. Personal Guarantee of all the current Directors i.e. Satish K. Parmar, Dinesh S. Chaudhary, Ashok R. Panchal, Sanjay S. Khankar and Snehal N. Mehta.
4. Secured Against hypothecation of vehicle purchased out of loan.
5. Terms & Conditions:
  - a. Borrower shall undertake to retire the bills without devolving the liability on the bank. Fresh LC/BC shall not be opened if the account remains irregular While establishing import LCs/BCs all the relative RBI exchange control guidelines shall be complied with and the borrower to undertake to comply with all the exchange / import trade control regulations of RBI in respect of the imports under the import LC limits.
  - b. Borrower to undertake to comply with all the exchange / import trade control regulations of RBI in respect of the imports under the import LC limits.
  - c. An undertaking to be obtained from the borrower to the effect that they will bear any exchange fluctuation risk relating to the import LCs/BCs and will arrange for necessary forward cover, whenever called upon to do so by the bank.

- d. The bills shall be negotiated/ discounted after verifying the authenticity of the confirmed order/ letter of Credit Proceeds of the bills shall be utilized for adjustment of the Packing Credit Limit wherever granted. All RBI guidelines relating to export credit shall be complied with No further bill to be discounted / purchased if there is any overdue / PDO in the facility.
- e. D&B rating of 1/2 or at least satisfactory Experian rating or ECGC cover required for all non LC usance txns. All export related documents need to be routed thru HDFC Bank without any exception. Customer not to send docs directly to overseas buyers.
- f. Any increase in project cost on account of any item not listed in the project details submitted for evaluation and / or time or cost overrun will be funded by infusion of Long term funds by the promoter.
- g. No dividend to be declared/ no withdrawal in form of salary/remuneration/incentive/ commission by the promoters/ directors in case of Overdues with bank.
- h. None of the directors of the Borrower is a director or specified near relation of a director of a banking company.
- i. To route all sale proceeds through HDFC Bank only and other bank accounts to be closed within 1 month of disbursal / takeover
- j. No interest to be paid on unsecured loans in case of any over dues with Bank.
- k. Unsecured Loans will be converted into Equity as and when required to maintain a positive tangible Net worth.
- l. The funds will not be utilized for any speculative, illegal and investing in Capital market purposes but will be utilized only for Working Capital Requirements.

*for and on behalf of*

**SSPJ & Co.**

Chartered Accountants

Reg. No. 018083N

**Sd/-**

**CA Sujata Kapila**

Partner

M. No. 515235

Date: 30/04/2024

**UDIN: 24515235BKCHIM8085**

Place: Ahmedabad

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled “Financial Information of the Company” beginning on page 151. You should also read the section titled “Risk Factors” on page 24 and the section titled “Forward Looking Statements” on page 18 of this Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor December 01, 2023 which is included in this Red Herring Prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year*

### **OVERVIEW**

Incorporated in 2011, we design and manufacture CNC, NC and conventional metal forming machines which caters to the industrial sector requirement for metal fabrication solutions. Our wide spectrum of metal forming machines includes press brake machines, shearing machines, plate rolling machines, iron workers machines, hydraulic presses and busbar bending, cutting & punching machine. Through our array of products, we provide manufacturers with vital precision machines which are required for metal cutting and forming operations. Our machines are utilized across a wide gamut of industries such as automotive, steel, pre-engineered building, furniture, HVAC, agricultural equipments, road construction equipments, elevators, food processing machinery, metalworking workshops and many others.

We offer over 600 variants of metal forming machines and during the last 3 Fiscals and the nine months period i.e. Apr. '23 to Dec. '23, our Company has supplied 1657 machines to over 1150 customers. During the last 3 Fiscals and the nine months period i.e. Apr. '23 to Dec. '23, we have sold our products in India and several other countries across the globe which include USA, Switzerland, Russia, Nepal, Kenya, Uganda, UAE, Saudi Arabia and other Middle east countries. We also provide machinery tools and spare parts such as Die punch, Shearing Blade, Roller Set, Holding Spring, Limit Switch, Foot Switch, Seal Kit, Linear Scale etc. which also aids in addressing after-sales support and services. As on March 31, 2024, our sales & marketing team comprised of 29 employees managing the designated regions within India. Our Sales team is also backed by an after-sales service team of 22 employees who provide our customers with access to maintenance services and spare parts and respond to the customer grievances.

For the Fiscal 2023, we have sold 500 machines to over 400 customers. Our ability to provide wide range of machines has helped us garner customers engaged in various sectors such as metal fabrication, pre-engineered building, agriculture, kitchen equipments, machinery manufacturing, automotive, food processing, furniture, HVAC, elevators, steel etc. Further, in F.Y. 2022-23, we have successfully sold our hydraulic shearing machine to CERN which is the European Organization for Nuclear Research based in Geneva, Switzerland.

We operate through our manufacturing facility in Sanand (District - Ahmedabad), which is situated on a vast land area of over 18,234 sq. mtrs and is equipped with capabilities to design, develop and manufacture our product portfolio. Our manufacturing facility has obtained ISO 9001:2015 certification and as on December 31, 2023, we have the capacity to manufacture 900 machines p.a. Our manufacturing operations comprise, in addition, to our production lines, CNC Plasma cutting shop, machine shop, heavy fabrication shop, hydraulic Cylinder Shop, hydraulic power pack shop, Electrical Panel wiring, sheet metal shop, shot blasting chamber, paint booth chamber, assembly lines and testing facilities.

Our manufacturing operations comprise, in addition, to our production lines, CNC Plasma cutting shop, machine shop, heavy fabrication shop, hydraulic Cylinder Shop, hydraulic power pack shop, Electrical Panel wiring, sheet metal shop, shot blasting chamber, paint booth chamber, assembly lines and testing facilities. We also outsource certain proportion of our production process relating to zinc plating, powder coating, cylindrical grinding, hard chrome plating, hardening, honing etc. to third parties job workers. During the 9 months period ended December 31, 2023 and for the last 2 Fiscals 2023 and 2022, our job work expenses were ₹ 462.42 lakhs, 547.20 lakhs and 473.85 lakhs, constituting 6.22%, 6.04% and 6.36%, respectively, of our total expenses.

We are backed by a strong design and development team consisting of 9 employees as on March 31, 2024. Design & Development is a key element of our ability to offer customized products to our customers. It is also a critical aspect of product development, and is integral to our process optimisation which ensures that we continue to fulfil the customized demand of clients across diverse industries. The design and development software used by the team include Cadmate and SolidEdge. Our Company has recently launched four roll machines at IMTEX 2024 in Bangalore. Further, we have recently developed an automated material handling system, which can be integrated with the CNC machines, as per the customer's requirement, through which the material can be fed automatically in the machine.

### Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Apr 23 –Dec 23	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	8,328.48	9,956.34	7,835.27	4,761.27
EBITDA <sup>(2)</sup>	1,271.26	1,360.64	795.91	450.66
EBITDA Margin <sup>(3)</sup>	15.26%	13.67%	10.16%	9.47%
PAT <sup>(4)</sup>	674.80	790.01	336.17	95.33
PAT Margin <sup>(5)</sup>	8.10%	7.93%	4.29%	2.00%
RoE(%) <sup>(6)</sup>	25.08% (not annualized)	40.35%	24.10%	7.89%
RoCE (%) <sup>(7)</sup>	21.86% (not annualized)	28.08%	17.15%	10.12%

#### Notes:

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

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

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term borrowings and Short term borrowings.

#### Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to “Annexure IV of Restated Financial Statements” beginning on page 158 of this Red Herring Prospectus.

### Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 24 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;

2. Changes in consumer demand;
3. Failure to successfully upgrade our product portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key management's persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. General economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices
12. Company's inability to successfully implement its growth strategy and expansions plans.
13. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. Inability to successfully obtain registrations in a timely manner or at all;
15. Occurrence of Environmental Problems & Uninsured Losses;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties;
17. Any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoter;
19. The performance of the financial markets in India and globally;
20. Global distress due to pandemic, war or by any other reason.

### Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the period ended on December 31, 2023 and financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021.

Particulars	For the 9 month period ended 31 <sup>st</sup> December, 2023	% of Total Income	For the year ended 31 <sup>st</sup> March, 2023	% of Total Income	For the year ended 31 <sup>st</sup> March, 2022	% of Total Income	For the year ended 31 <sup>st</sup> March, 2021	% of Total Income
	Rs.		Rs.		Rs.		Rs.	
Revenue from operations	8,328.48	99.15%	9,956.34	98.91%	7835.27	99.10%	4761.27	98.49%
Other Income	71.28	0.85%	109.78	1.09%	71.31	0.90%	72.80	1.51%
<b>Total Income</b>	<b>8,399.76</b>	<b>100.00%</b>	<b>10,066.12</b>	<b>100%</b>	<b>7906.57</b>	<b>100%</b>	<b>4834.07</b>	<b>100%</b>
<b>Expenses</b>								
Cost of materials consumed	5,051.89	60.14%	6,224.62	61.84%	4844.17	61.27%	3165.87	65.49%
Purchases of stock-in-trade	-		-		-		-	
Changes in inventories of finished goods & WIP	(622.98)	-7.42%	-396.73	-3.94%	96.81	1.22%	-135.10	-2.79%
Employee benefits expenses	1,068.29	12.72%	924.43	9.18%	694.07	8.78%	518.12	10.72%
Finance costs	225.16	2.68%	264.23	2.62%	237.84	3.01%	251.46	5.20%
Depreciation and amortisation expense	148.74	1.77%	195.22	1.94%	177.72	2.25%	173.71	3.59%
Other Expense	1,560.02	18.57%	1,843.37	18.31%	1407.48	17.80%	761.72	15.76%
<b>Total Expenses</b>	<b>7,431.12</b>	<b>88.47%</b>	<b>9,055.14</b>	<b>89.96%</b>	<b>7458.10</b>	<b>94.33%</b>	<b>4735.78</b>	<b>97.97%</b>
<b>Profit / (Loss) before exceptional and extra-ordinary items and tax</b>	<b>968.64</b>	<b>11.53%</b>	<b>1,010.98</b>	<b>10.04%</b>	<b>448.48</b>	<b>5.67%</b>	<b>98.29</b>	<b>2.03%</b>
<b>Prior Period Items</b>	-	-	-				-	
<b>Profit Before Tax</b>	<b>968.64</b>	<b>11.53%</b>	<b>1,010.98</b>	<b>10.04%</b>	<b>448.48</b>	<b>5.67%</b>	<b>98.29</b>	<b>2.03%</b>
<b>Tax Expense:</b>								
(a) Current tax expense	235.38	2.80%	260.79	2.59%	107.54	1.36%	22.14	0.46%

(b) Deferred tax liability / (asset)	58.46	0.70%	-39.82	-0.40%	7.94	0.10%	-19.18	-0.40%
<b>Profit After Tax</b>	<b>674.80</b>	8.03%	790.01	7.85%	336.17	4.25%	95.33	1.97%

**Revenue from operations:**

Revenue from operations mainly consists of sale of metal forming machines and related services.

**Other Income:**

Our other income primarily comprises of Interest Income, Subsidy Income, Advance from Customer / Sundry Creditors written back, Insurance Claim received etc.

**Expenses:**

Company's expenses consist of Raw material consumption, Change in inventories of finished goods, work in progress, Employee benefits expense, Finance costs, Depreciation and amortization and other expenses.

**Cost of Raw material consumed:**

Our raw material consumption comprises of purchase of material, changes in the inventory of raw material for manufacturing the end products. Manufacturing Expenses such as Job Work charges, wages for manufacturing, Power Expenses, Transportation Expenses, Repair & Maintenance Machinery, etc.

**Change in inventories of finished goods and work in progress:**

Our changes in the inventory comprises of changes in the finished goods, work in progress.

**Employee benefits expense:**

Our employee benefits expense primarily comprises of Direct and Indirect Salaries, Wages & Bonus, Director Remuneration, Staff Welfare Expenses, Contribution to provident and other funds and Gratuity Expense.

**Finance Costs:**

Our finance cost includes Interest expense and Other Borrowing cost.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Property, Plant & Equipment's, furniture and intangible assets etc.

**Other Expenses:**

Our other expenses include Manufacturing Expenses, Administrative Expenses and Selling & Distribution Expenses. Administrative Expenses such as Petrol & Diesel Expenses, Other Administrative Expenses, Insurance Expenses, Legal & Professional Expenses, Repair & Maintenance, Selling & Distribution Expenses such as Advertisement Expenses, Marketing Expenses, Exhibition Expenses, Commission Expenses, etc.

**Details of Period ended December 31, 2023 (Based on Restated Financial Statements)**

**Total Income:**

Total income for the period ended December 31, 2023 stood at Rs. **8,399.76** Lakhs. Total income consists of revenue from operation and other Income.

**Revenue from Operations:**

Revenue from operations for the period ended December 31, 2023 stood at Rs. 8,328.48 Lakhs. Revenue from operations mainly consists of sale of manufactured goods and related services.

**Other Income:**

Other Income for the period ended December 31, 2023 stood at Rs. 71.28 Lakhs. Our other income primarily comprises of Interest Income, Subsidy Income, Advance from Customer / Sundry Creditors written back, Insurance Claim received etc.

**Total Expenses:**

Total Expenses for the period ended December 31, 2023 stood at Rs **7,431.12** Lakhs. Company's expenses consist of Raw material consumption, Change in inventories of finished goods, work in progress, Employee benefits expense, Finance costs, Depreciation and amortization and other expenses.

**Cost of Raw material consumed:**

Cost of Raw material consumed for the period ended December 31, 2023 stood at Rs. 5051.89 Lakhs. Our Raw Material Consumption comprises of purchase of material, changes in the inventory of raw material for manufacturing the end products. Manufacturing Expenses such as Job Work charges, wages for manufacturing, Power Expenses, Transportation Expenses, Repair & Maintenance Machinery, etc.

**Change in inventories of finished goods, work in progress and stock in trade:**

Change in inventories for the period ended December 31, 2023 stood at Rs.(622.98) Lakhs. Our changes in the inventory comprises of changes in the finished goods, work in progress.

**Employee benefits expense:**

Employee benefit expenses for the period ended December 31, 2023 stood at Rs. 1068.29 Lakhs. Our employee benefits expense primarily comprises of Direct and Indirect Salaries, Wages & Bonus, Director Remuneration, Staff Welfare Expenses, Contribution to provident and other funds and Gratuity Expense.

**Finance costs:**

Finance Cost for the period ended December 31, 2023 stood at Rs. 225.16 Lakhs. Our finance cost includes Interest expense and Other Borrowing cost.

**Depreciation and Amortization Expenses:**

Depreciation for the period ended December 31, 2023 stood at Rs. 148.74 Lakhs. Depreciation includes depreciation on Property, Plant & Equipment's, furniture and intangible assets etc.

**Other expense:**

Other expenses for the period ended December 31, 2023 stood at Rs. 1560.02 Lakhs. Our other expenses include Manufacturing Expenses, Administrative Expenses and Selling & Distribution Expenses.

**Restated Profit/ (Loss) before tax:**

Restated Profit before tax for the period ended December 31, 2023 stood at Rs. 968.64 Lakhs.

**Restated Profit/ (Loss) after tax:**

Restated Profit after tax for the period ended December 31, 2023 stood at Rs. 674.80 Lakhs.

**Financial Year 2023 Compared to Financial Year 2022 (Based on Restated Financial Statements)**

**Total Income:**

Total income for the financial year 2022-23 stood at Rs. 10,066.12 Lakhs as compared to Rs. 7,906.57 Lakhs in financial year 2021-22 representing an increase of 27.31%. Such Increase was due to increase in business operations of the Company and due to advance from customer/ Sundry Creditors written back and insurance claim received.

**Revenue from Operations:**

During the financial year 2022-23, the revenue from operations of our company increased to Rs. 9,956.34 Lakhs as against Rs. 7,835.27 Lakhs in financial year 2021-22, representing an increase of 27.07%. The main reason of increase was due to increase in the sale of Hydraulic CNC Press Brake Machine from 4268.19 Lakhs in the FY. 2021-22 as compared to Rs. 6707.43 Lakhs in the financial year 2022-23 representing an increase of 57.17%.

**Other Income:**

During the financial year 2022-23, the other income of our company increased to Rs. 109.78 Lakhs as against Rs. 71.31 Lakhs in financial year 2021-22, representing an increase of 53.96%. The increase in other income was due to increase in Advance from Customer / Sundry Creditors written back from 25.48 lakhs in the FY. 2021-22 as compared to Rs. 72.56 Lakhs in the FY. 2022-23 representing an increase of 184.77% and increase in Insurance Claim received from Rs. 2.75 Lakhs in the FY. 2021-22 as compared to Rs. 11.30 Lakhs in FY 2022-23 representing an increase of 310.91%.

**Total Expenses:**

Total expenses for the financial year 2022-23 increased to Rs. 9,055.14 Lakhs as compared to Rs. 7,458.10 Lakhs in financial year 2021-22 representing an increase of 21.41%. Such Increase was due to increase in the volume of business operations of the company.

**Cost of Raw material consumed:**

The cost of raw material consumed for the financial year 2022-23 stood at 6,224.62 Lakhs against Rs. 4,844.17 Lakhs in the Financial Year 2021-22 representing an increase of 28.50%. Such increase was due to increase in purchase of Raw material from 5481.91 Lakhs in FY. 2021-22 as compared to Rs. 7118.39 Lakhs in FY 2022-23 representing an increase of 29.85%.

**Change in inventories of finished goods, work in progress and stock in trade:**

The Change in inventories of finished goods, work in progress for financial year 2022-23 has been decreased as compared to the financial year 2021-22 by 509.80%, which was due to increase in closing stock of finished goods, and work in progress from 2467.94 Lakhs in FY. 2021-22 as compared to 2864.67 Lakhs in FY. 2022-23 representing an increase of 16.08% and decrease in opening stock of finished goods and work in progress from 2564.75 lakhs in FY. 2021-22 as compared to Rs. 2467.94 Lakhs in FY. 2022-23.

**Employee benefits expense:**

Our company has incurred Rs. 924.43 Lakhs as employee benefit expenses during the financials year 2022-23 as compared to Rs. 690.90 Lakhs in the financial year 2021-22 representing an increase of 33.80%. Such increase was due to increase in (i) wages & Salary from 608.71 lakhs in FY. 2021-22 as compared to Rs. 794.30 Lakhs in FY. 2022-23 which amount to increase of 30.49%; (ii) Provident fund from 21.34 lakhs in FY. 2021-22 as compared to Rs. 32.26 Lakhs in FY. 2022-23 which amount to increase of 51.17%; (iii) Bonus from Rs. 42.46 lakhs in FY. 2021-22 as compared to Rs. 59.44 Lakhs in FY. 2022-23 which amount to increase of 39.99%; (iv) Gratuity from Rs. 3.83 lakhs in FY. 2021-22 as compared to Rs. 22.99 Lakhs in FY. 2022-23 which amount to increase of 500.26%;

**Finance costs:**

These costs were for the financial Year 2022-23 increased to Rs. 264.23 Lakhs as against Rs. 237.84 Lakhs during the financial year 2021-22, representing an increase of 11.09%. Such increase was due to increase in (i) Interest on CC facility from 73.87 lakhs in FY. 2021-22 as compared to Rs. 95.01 Lakhs in FY. 2022-23 which amount to increase of 28.62%; (ii) Interest on Term Loan from 128.37 lakhs in FY. 2021-22 as compared to Rs. 145.52 Lakhs in FY. 2022-23 which amount to increase of 13.36%; (iii) Interest on Income Tax from Rs. 2.75 lakhs in FY. 2021-22 as compared to Rs. 11.20 Lakhs in FY. 2022-23 which amount to increase of 307.27%.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2022-23 stood at Rs. 195.22 Lakhs as against Rs. 177.72 Lakhs in financial year 2021-22 representing an increase of 9.84%.

**Other expense:**

Our company has incurred Rs. 1843.37 Lakhs as other expenses during the financials year 2022-23 as compared to Rs. 1407.48 Lakhs in the financial year 2021-22 representing an increase of 30.97%. Such increase was due to increase in (i) Job work charges from Rs. 473.85 lakhs in FY. 2021-22 as compared to Rs. 547.20 Lakhs in FY. 2022-23 which amount to increase of 15.48%; (ii) Custom duty imported raw material & Charges from Rs. 73.99 lakhs in FY. 2021-22 as compared to Rs. 104.63 Lakhs in FY. 2022-23 which amount to increase of 41.41%; (iii) Freight from Rs. 55.53 lakhs in FY. 2021-22 as compared to Rs. 66.65 Lakhs in FY. 2022-23 which amount to increase of 20.03%;(iv) Machinery repair and Maintenance from Rs. 13.16 lakhs in FY. 2021-22 as compared to Rs. 28.33 Lakhs in FY. 2022-23 which amount to increase of 115.27%; (v) Other Direct Expenses from Rs. 14.13 lakhs in FY. 2021-22 as compared to Rs. 22.89 Lakhs in FY. 2022-23 which amount to increase of 62.00%; (vi) Travelling & Conveyance Expenses from Rs. 224.81 lakhs in FY. 2021-22 as compared to Rs. 276.18 Lakhs in FY. 2022-23 which amount to increase of 22.85%;(vii) Exhibition Expenses from Rs. 23.90 lakhs in FY. 2021-22 as compared to Rs. 73.69 Lakhs in FY. 2022-23 which amount to increase of 208.33%, (viii) Legal & Professional Charges from Rs. 35.89 lakhs in FY. 2021-22 as compared to Rs. 62.01 Lakhs in FY. 2022-23 which amount to increase of 72.78%, (ix) Consumables for Workshop from Rs. 19.37 lakhs in FY. 2021-22 as compared to Rs. 39.84 Lakhs in FY. 2022-23 which amount to increase of 105.68%, (x) Postage & Courier Charges from Rs. 14.04 lakhs in FY. 2021-22 as compared to Rs. 33.51 Lakhs in FY. 2022-23 which amount to increase of 138.68%, (xi) GIDC Expenses from Rs. 6.18 lakhs in FY. 2021-22 as compared to Rs. 23.30 Lakhs in FY. 2022-23 which amount to increase of 277.02%, (xii) Foreign Exchange Fluctuation loss from Rs. (2.71) lakhs in FY. 2021-22 as compared to Rs. 16.45 Lakhs in FY. 2022-23 which amount to change of 707.01%, (xiii) Marketing Expenses from Rs. 1.92 lakhs in FY. 2021-22 as compared to Rs. 11.73 Lakhs in FY. 2022-23 which amount to increase of 510.94%, (xiv) Advertisement & Publicity Expenses from Rs. 1.16 lakhs in FY. 2021-22 as compared to Rs. 9.55 Lakhs in FY. 2022-23 which amount to increase of 723.28%.

**Restated Profit/ (Loss) before tax:**

Restated Profit before Tax for the financial year 2022-23 was Rs. 1,010.98 Lakhs as compared to Restated profit before tax of Rs. 451.65 Lakhs during the financial year 2021-22 which amounts to increase of was majorly due to factors as mentioned above.

**Restated Profit/ (Loss) after tax:**



Restated Profit after Tax for the financial year 2022-23 was Rs. 790.01 Lakhs as compared to Restated profit after tax of Rs. 336.17 Lakhs during the financial year 2021-22.

### **Financial Year 2022 Compared to Financial Year 2021 (Based on Restated Financial Statements)**

#### **Total Income:**

Total income for the financial year 2021-22 stood at Rs. 7,906.57 Lakhs as compared to Rs. 4,834.07 Lakhs in financial year 2020-21 representing an increase of 63.56%. The main reason for Increase was increase in revenue from operation and Other Operating revenue due to increase of Business operations.

#### **Revenue from Operations:**

During the financial year 2021-22, the revenue from operations of our company increased to Rs. 7,835.27 Lakhs as against Rs. 4,761.27 Lakhs in financial year 2020-21, representing an increase of 64.56%. Such increase was due to increase in (i) Domestic Sales from Rs. 4605.41 lakhs in FY. 2020-21 as compared to Rs. 7648.83 Lakhs in FY. 2021-22 which amount to increase of 66.08%; (ii) Export Sales from Rs. 127.51 lakhs in FY. 2020-21 as compared to Rs. 137.23 Lakhs in FY. 2021-22 which amount to increase of 7.62%; (iii) sale of services from Rs. 9.58 lakhs in FY. 2020-21 as compared to Rs. 17.06 Lakhs in FY. 2021-22 which amount to increase of 78.08%.

The company served 696 customers (including customers of spare part items) in F.Y. 2021-22 compared to 523 customers (including customers of spare part items) in F.Y. 2020-21. The number of customers who purchased machines priced above 25 lakhs increased from 48 in F.Y. 2020-21 to 115 in F.Y. 2021-22, indicating significant expansion in the high-value machine customer base. The expansion in the high-value machine customer base along with increase in number of customers in other categories as well, led to the company's total revenue surging from Rs. 4761.27 lakhs to Rs. 7835.27 lakhs.

#### **Other Income:**

During the financial year 2021-22, the other income of our company increased to Rs. 71.31 Lakhs as against Rs. 72.80 Lakhs in financial year 2020-21, representing a decrease of 2.05%. Such Decrease was due to decrease in Subsidy income from Rs. 65.75 in FY 20-21 as compared to Rs. 33.39 Lakhs in FY. 21-22 representing a decrease of 49.22%.

#### **Total Expenses:**

Total expenses for the financial year 2021-22 increased to Rs. 7,454.92 Lakhs as compared to Rs. 4,735.78 Lakhs in financial year 2020-21 representing an increase of 57.42%.

#### **Cost of Raw material consumed:**

The cost of raw material consumed for the financial year 2021-22 stood at 4844.17 Lakhs against Rs. 3,165.87 Lakhs in the Financial Year 2020-21 representing an increase of 53.12%. Such increase was due to increase in Purchase made during the year from 3496.17 Lakhs in 20-21 as compared to 5481.91 in FY. 21-22 representing an increase of 56.80%.

#### **Change in inventories of finished goods, work in progress and stock in trade:**

The Change in inventories of finished goods, work in progress for financial year 2021-22 has been decreased as compared to the financial year 2020-21 by 171.66%, which was due to increase in closing finished goods from 338.91 Lakhs in 20-21 as compared to Rs. 671.43 Lakhs in FY 21-22 representing an increase of 98.11%.

#### **Employee benefits expense:**

Our company has incurred Rs. 690.90 Lakhs as employee benefit expenses during the financials year 2021-22 as compared to Rs. 518.12 Lakhs in the financial year 2020-21 representing an increase of 33.35%. Such increase was due to increase in (i) Wages & Salary from Rs. 461.32 Lakhs in 20-21 as compared to 608.71 in FY. 21-22 representing an increase of 31.95%; (ii) Provident Fund from Rs. 17.83 Lakhs in 20-21 as compared to Rs. 21.34 in FY. 21-22 representing an increase of 19.69%; (iii) Bonus from Rs. 18.63 Lakhs in 20-21 as compared to Rs. 42.46 in FY. 21-22 representing an increase of 127.91%; (iv) Staff Welfare expenses from Rs. 5.14 Lakhs in 20-21 as compared to Rs. 8.33 in FY. 21-22 representing an increase of 62.06%.

#### **Finance costs:**

These costs were for the financial Year 2021-22 increased to Rs. 237.84 Lakhs as against Rs. 251.46 Lakhs during the financial year 2020-21, representing a decrease of 5.42% due to decrease in (i) Interest on Income tax from Rs. 4.46 Lakhs in FY. 20-21 as compared to Rs. 2.75 Lakhs in FY. 21-22 representing a decrease of 38.34%; (ii) Bank Charges from Rs. 20.27 Lakhs in FY. 20-21 as compared to Rs. 11.21 Lakhs in FY. 21-22 representing a decrease of 44.70%.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2021-22 stood at Rs. 177.72 Lakhs as against to Rs. 173.71 Lakhs in financial year 2020-21 representing an increase of 2.31%.

**Other expense:**

Our company has incurred Rs. 1407.48 Lakhs as other expenses during the financials year 2021-22 as compared to Rs. 761.72 Lakhs in the financial year 2020-21 representing an increase of 84.78% due to increase in (i) Job Work Charges from Rs. 260.82 Lakhs in FY. 20-21 as compared to Rs. 473.85 Lakhs in FY. 21-22 representing an increase of 81.68%; (ii) Man Power Services Expenses from Rs. 53.71 Lakhs in FY. 20-21 as compared to Rs. 126.54 Lakhs in FY. 21-22 representing an increase of 135.60%; (iii) Custom duty on imported raw material & charges from Rs. 32.56 Lakhs in FY. 20-21 as compared to Rs. 73.99 Lakhs in FY. 21-22 representing an increase of 127.24%; (iv) Freight from Rs. 26.34 Lakhs in FY. 20-21 as compared to Rs. 55.53 Lakhs in FY. 21-22 representing an increase of 110.82%; (v) Postage & Courier charges from Rs. 3.64 Lakhs in FY. 20-21 as compared to Rs. 14.04 Lakhs in FY. 21-22 representing an increase of 285.71%; (vi) Office expenses from Rs. 1.27 Lakhs in FY. 20-21 as compared to Rs. 18.22 Lakhs in FY. 21-22 representing an increase of 1334.65%; (vii) Power & Fuel from Rs. 12.99 Lakhs in FY. 20-21 as compared to Rs. 33.96 Lakhs in FY. 21-22 representing an increase of 161.43%; (viii) Commission from Rs. 5.54 Lakhs in FY. 20-21 as compared to Rs. 18.94 Lakhs in FY. 21-22 representing an increase of 241.88%; (ix) Loading-Unloading Sales from Rs. 3.07 Lakhs in FY. 20-21 as compared to Rs. 6.51 Lakhs in FY. 21-22 representing an increase of 112.05%.

**Restated Profit/ (Loss) before tax:**

Restated Profit before Tax for the financial year 2021-22 was Rs. 451.65 Lakhs as compared to Restated profit before tax of Rs. 98.29 Lakhs during the financial year 2020-21. The increase was majorly due to factors as mentioned above.

**Restated Profit/ (Loss) after tax:**

Restated Profit after Tax for the financial year 2021-22 was Rs. 336.17 Lakhs as compared to Restated profit after tax of Rs. 95.33 Lakhs during the financial year 2020-21.

**Reason for increase in PAT Margin:** Our PAT margin for F.Y. 2021-22 has increased to 4.29% as compared to 2% in F.Y. 2020-21 primarily on account of decline in fixed cost percentage as compared to revenue from operations.

A comparison table has been stated below depicting the impact of how the depreciation, finance cost and employee benefit expenses has reduced in terms of percentage of revenue from operations in F.Y. 2021-22, as compared to F.Y. 2020-21, which has led to rise in PAT margins.

(Rs. in lakhs)				
Particulars	F.Y. 2020-21	% of Revenue	F.Y. 2021-22	% of Revenue
Revenue from operations	4761.27		7835.27	
Depreciation and amortisation expense (a)	173.71	3.65%	177.72	2.27%
Finance costs (b)	251.46	5.28%	237.84	3.04%
Employee benefits expenses (c)	518.12	10.88%	690.90	8.82%
<b>Total of above expenses (a)+(b)+(c)</b>	<b>943.29</b>	<b>19.81%</b>	<b>1,106.46</b>	<b>14.13%</b>

As stated in the above table, the total of fixed costs and semi-variable costs in F.Y. 2021-22 amounted to Rs. 1,106.46 lakhs, representing 14.13% of revenue from operations. This marks a considerable improvement compared to the earlier year, where this cost totalled Rs. 943.29 lakhs and due to lower revenue, it accounted for 19.81% of revenue. The significant increase in revenue in F.Y. 2021-22 has led to economies of scale, evidenced by the lower percentage of fixed and semi-variable costs relative to revenue. On account of above stated reason, the PAT margin increased to 4.29% in F.Y. 2022-23 as compared to 2% in F.Y. 2020-21.

**Rationale for the increase in PAT for FY 2023, 2022 and stub period**

**Continuous growth in revenue from operations** – The Company has experienced significant growth in revenue from operations, indicating a positive trajectory in financial performance. Specifically, revenue increased from Rs. 47.61 Cr in F.Y. 2020-21 to Rs. 78.35 Cr in F.Y. 2021-22 and further to Rs. 99.56 Cr in F.Y. 2022-23. Additionally, the Company achieved revenue of Rs. 83.28 Cr from April '23 to Dec. '23, showcasing continued growth momentum.

**Decline in fixed cost percentage as compared to revenue from operations** – The fixed costs, notably depreciation and finance costs, have exhibited a decreasing trend as a percentage of revenue from operations. For instance, depreciation and finance costs amounted to Rs. 425.18 lakhs (8.80% of revenue) in F.Y. 2020-21, which reduced to Rs. 415.56 lakhs (5.26%

of revenue) in F.Y. 2021-22 and then increased to Rs. 459.44 lakhs i.e. 4.56% of revenue from operations for F.Y. 2022-23. Similarly, the depreciation and finance cost for stub period has remained to Rs. 198.83 lakhs i.e. 1.79% of revenue from operations.

**Finance cost** – The finance cost of the Company is directly linked with the quantum of long term and short term borrowings availed by the Company. The total borrowings of the Company for F.Y. 2020-21 to 2022-23 and stub period of 9 months has remained between Rs. 21.88 Cr. to Rs. 24.57 crores, due to which the finance cost has also remained at the same levels. Please find below comparison of total borrowings with finance cost:

(Rs. in lakhs)

Particulars	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Total Borrowings	2333.05	2187.82	2457.23	2228.59
Finance cost	225.16	264.23	237.84	251.46

As there has been a steady increase in internal accruals of the Company in the last three fiscal years and stub period, therefore, the borrowings of the Company have not been increased significantly.

(Rs. in lakhs)

Particulars	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Worth	3,027.82	2,353.02	1,563.01	1,226.84

**Depreciation** - The depreciation cost of the Company is directly linked with the quantum of fixed assets of the Company. There has not been any considerable increase in the fixed assets of the Company on account of which depreciation has remained in the range of Rs. 173 lakhs to Rs. 195 lakhs. Further, since the depreciation is charged on the WDV basis, the amount of depreciation charged will continue to decline unless new assets has been added.

Below is the details of fixed assets and depreciation of the Company:

(Rs. in lakhs)

Particulars	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Fixed Assets (Gross Block)	3,605.81	3,490.41	3,305.31	3,137.66
Addition of fixed assets	145.19	192.09	185.80	69.84
Fixed Assets (Net Block on WDV)	2,525.42	2,555.21	2,554.72	2,545.30
Depreciation	148.74	195.22	177.72	173.71

**Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions**

There has not been any unusual trend on account of our business activity. Except as disclosed in this Red Herring Prospectus, there are no unusual or infrequent events or transactions in our Company.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 24 of the Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues**

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 24, 104 and 200 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**5. Total turnover of each major industry segment in which our Company operates**

Our business activity primarily falls within a single business and geographical segment, i.e. is engaged in the business of manufacturing of machineries, as disclosed in “**Restated Financial Statements**” on page 151, we do not follow any other segment reporting.

**6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “**Our Business**” on page 104, our Company has not announced any new product or service.

**7. Seasonality of business**

Our business is not subject to seasonality. For further information, see “**Industry Overview**” and “**Our Business**” on pages 91 and 104, respectively.

**8. Dependence on single or few customers**

We are not dependent upon single or few customers.

**9. Competitive conditions**

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 91 and 104 respectively of this Red Herring Prospectus.

**10. Details of material developments after the date of last balance sheet i.e. December 31, 2023.**

After the date of last Balance sheet i.e. December 31, 2023, the following material events have occurred after the last audited period:

(i) Company has entered into an Assignment agreement dated January 25, 2024 with M/s Vishal Industries for assignment of leasehold rights of the plot situated at E-244, Sanand-II Industrial Estate, Bol GIDC, Hrapur, Sanand, District Ahmedabad – 382-170, Gujarat for a total consideration of Rs. 184.00 lakhs, of which the Company has paid a sum of Rs. 130.00 lakhs till the date of this RHP. The Company shall use such land for its future expansion purpose.

### CAPITALISATION STATEMENT

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,635.72	*
Long term debt (B)	697.33	*
<b>Total debts (C)</b>	<b>2,333.05</b>	*
<b>Shareholders' Funds</b>		
Equity Share Capital	834.45	*
Reserves and Surplus - as restated	2,193.37	*
<b>Total Shareholders' Funds</b>	<b>3,027.82</b>	*
<b>Long term Debt / shareholders' fund</b>	<b>0.23</b>	*
<b>Total Debt / shareholders' fund</b>	<b>0.77</b>	*

(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months and includes instalment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short Term Debts as defined above but excludes instalment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on Restated statement of Assets and liabilities of the Company as at 31.12.2023.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors, Promoters and Subsidiary.

Our Board, in its meeting held on December 30, 2023, determined that outstanding legal proceedings involving the Company, its Directors, Promoter and subsidiary will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company’s trade payables as per the last restated financial statements.

#### A. LITIGATION INVOLVING THE COMPANY

##### (a) Criminal proceedings against the Company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### (b) Criminal proceedings filed by the Company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings filed by the Company.

##### (c) Actions by statutory and regulatory authorities against the Company

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

##### (d) Tax Proceedings

###### Direct Tax Cases

Sr. No.	Assessment Year	Demand Raised under Section	Matter	Amount involved (Rs. in lakhs)	Current Status
<b>Energy- Mission Machineries (India) Limited (“Company”)</b>					
1.	2022-23	143(1) of Income Tax Act, 1961.	A demand notice dated April 29, 2023, from the Income Tax department have been issued to the Company. The Company has filed an appeal before the Commissioner of Income Tax (Appeals) against the demand notice. An order dated January 4, 2024 by CIT(A), has been issued against the appeal stating the appeal is partly allowed.	45.78 lakhs (including interest of Rs. 5.27 lakhs)	Post the CIT(A) order dated January 04, 2024, the Company has filed an appeal before Income Tax Appellate Tribunal, Ahmedabad Bench, Ahmedabad on 06/03/2024, hence the matter is pending.
2.	2020-21	143(1) of Income Tax Act, 1961.	A demand notice dated March 26, 2022 from the Income Tax department has been issued to the Company.	5.32 lakhs (including interest of Rs. 1.20 lakhs)	The Company through its response dated June 02, 2022 disagreed with the demand stating that the expense disallowed, is actually an allowable expense u/s 43B of Income Tax Act, 1961. Currently,

					the Company is awaiting department's response.
3.	2019-20	154 of Income Tax Act, 1961	As per the rectification order dated Aug 17, 2020 issued u/s 154 of the Income Tax Act, 1961, demand of Rs. 43.12 lakhs is outstanding.	-	The Company vide its response dated August 18, 2022 submitted that the said demand has been paid and enclosed the challans with reply. Currently, the Company is awaiting department's response.
4.	2018-19 and 2013-14	143(1)(a) of Income Tax Act, 1961.	Company has received two notices u/s 221(1) of the Income Tax Act, 1961, dated February 03, 2020 and February 11, 2020, stating to show cause of why penalty should not be imposed for non-payment of demand amount of ₹ 2.34 lakhs for AY 2018-19 and ₹ 0.04 lakh for AY 2013-14.	Penalty amount not determinable (Demand amt. – 2.38 lakhs)	The Company vide its response dated July 07, 2020 submitted that they disagree with the demand and requested for the recovery process to be stopped. Currently, the Company is awaiting department's response.
5.	2021-22	201 of Income Tax Act, 1961.	Interest on TDS payment default	0.00 lakh	The Company is yet to pay the amount.

#### Indirect Tax Litigation of the Company

Sr. No.	Financial Year	Demand Raised under Section	Matter	Demand Outstanding in ₹	Current Status
1.	2018-19	73 of Central Goods and Services Act, 2017	<p>A show cause notice has been issued on December 28, 2023, for GST demand of ₹ 288.95 lakhs towards under declared tax.</p> <p>The Company has filed its detailed point-wise reply and requested authority to drop further proceedings.</p> <p>In this regard, the GST department has issued an order dated 03/04/2024 declaring demand amount of Rs. 27.73 lakhs.</p>	27.73 lakhs	The Company is yet to make payment/appeal against the said order dated 03-04-2024.

#### (e) Other pending material litigations against the Company

As on the date of this Red Herring Prospectus, there are no other pending material litigations against the Company.

#### (f) Other pending material litigations filed by the Company

(i) Our Company, herein referred to as the “**Complainant**”, initiated legal action by filing a complaint, Consumer Complaint No. 210 of 2021, under Section 35 of the Consumer Protection Act, 2019, against Punjab National Bank (PNB), the “**Respondent**”. The crux of the dispute revolves around delays and financial losses incurred by the complainant in relation to the disbursal of a term loan amounting to 9.9 Crores. Alleging deficiency in service and unfair trade practices on the part of PNB, the complainant contends that the delayed disbursement of the term loan resulted in substantial financial losses. These losses encompassed penalties, interest miscalculations, increased interest rates, and additional costs, collectively amounting to Rs. 97.78 lakhs. The complainant seeks redress and compensation for the alleged grievances caused by PNB's purported poor service. Presently, the matter is pending adjudication.

## B. LITIGATIONS INVOLVING THE DIRECTORS OF THE COMPANY

**(a) Criminal proceedings against the Directors of the Company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors of the Company.

**(b) Criminal proceedings filed by the Directors of the Company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings filed by the Directors of the Company.

**(c) Actions by statutory and regulatory authorities against the Directors of the Company**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Directors.

**(d) Tax Proceedings**

**Direct Tax Cases**

Sr. No.	Assessment Year	Demand Raised under Section	Matter	Amount involved (Rs. in lakhs)	Current Status
<b>Director and Promoter</b>					
<b>Satish Parmar</b>					
1.	2022-23	143(1) of Income Tax Act, 1961.	A demand notice dated August 07, 2023, from the Income Tax department have been issued to Satish Parmar stating demand of Rs. 1.68 lakhs. As per e-portal of income tax, interest of Rs. 0.15 lakh is also outstanding on this demand.	1.83 lakhs	A response has been submitted by Satish Parmar on December 02, 2023 disagreeing with the demand. A response from the department is awaited.

**Indirect Tax Litigation - Nil**

**(e) Other pending material litigations against the Directors of the Company**

As on the date of this Red Herring Prospectus, there are no such outstanding litigations initiated against the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Directors of the Company**

As on the date of this Red Herring Prospectus, there are no such outstanding litigations initiated filed by the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**C. LITIGATIONS INVOLVING THE PROMOTERS OF THE COMPANY**

**(a) Criminal proceedings against the Promoters of the Company**

As on the date of this Red Herring Prospectus, there are no criminal proceedings against our Promoters of the Company.

**(b) Criminal proceedings filed by the Promoters of the Company**

As on the date of this Red Herring Prospectus, there are no criminal proceedings filed by our Promoters of the Company.

**(c) Actions by statutory and regulatory authorities against the Promoters of the Company**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against our Promoters of the Company.



**(d) Tax Proceedings****Direct Tax**

Sr. No.	Assessment Year	Demand Raised under Section	Matter	Amount involved (Rs. in lakhs)	Current Status
<b>Director and Promoter</b>					
<b>Sanjay Shantukumar Khankar</b>					
1.	2021-22	143(1) of Income Tax Act, 1961.	A demand notice dated March 28, 2022, from the Income Tax department have been issued to Sanjay Shantukumar Khankar stating that demand of Rs. 12.80 lakhs is outstanding. As per e-portal of income tax, interest of Rs. 4.35 lakhs is also outstanding on this demand.	3.23 lakhs	Mr. Sanjay Shantukumar Khankar vide its response dated December 02, 2023 stated that he disagrees with the demand and stated that he has already made payment of Rs. 13.92 lakhs towards said demand and interest on Nov. 23, 2022. A response from the department is awaited.
<b>Satish Parmar</b>					
1.	2022-23	143(1) of Income Tax Act, 1961.	A demand notice dated August 07, 2023, from the Income Tax department have been issued to Satish Parmar stating demand of Rs. 1.68 lakhs. As per e-portal of income tax, interest of Rs. 0.15 lakh is also outstanding on this demand.	1.83 lakhs	A response has been submitted by Satish Parmar on December 02, 2023 disagreeing with the demand. A response from the department is awaited.

**(e) Other pending material litigations against the Promoters of the Company**

As on the date of this Red Herring Prospectus, there are no outstanding material litigation against our Promoters of the Company.

**(f) Other pending material litigations filed by the Promoters of the Company**

As on the date of this Red Herring Prospectus, there are no outstanding material litigation filed by our Promoters of the Company.

**D. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY**

As on the date of this Red Herring Prospectus, we do not have any Group Company.

**E. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company's total Trade payables as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company. Our Board of Directors considers dues owed by our Company to the creditors exceeding 5% of the Company's trade payables as per the last restated financial statements as material dues for the Company.

The trade payables for the period ended on December 31, 2023 were ₹ 3263.24 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 163.16 lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on December 30, 2023. As on December 31, 2023, there are 2 creditors to each of whom our Company owes amounts exceeding 5% of our Company's Trade Payables and the aggregate outstanding dues to them being approximately ₹ 780.12 lakhs. The details pertaining to amounts due towards material creditors are available on the website of our Company. Further, our Company has 23 creditors which is registered under the Micro, Small and Medium Enterprises Development Act, 2006, against whom there's due amount of Rs. 405.05 lakhs.

As on December 31, 2023, our Company owes amounts aggregating to ₹ 3263.24 lakhs approximately towards 362 trade creditors. There are no disputes with such entities in relation to payments to be made to them.

**MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 200 of this Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.*

### I. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue.

#### **Corporate Approvals:**

- a. Our Board, pursuant to its resolution dated November 10, 2023 authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary;
- b. The shareholders of our Company have, pursuant to their resolution passed at the annual general meeting of our Company held on November 27, 2023 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved this Draft Red Herring Prospectus pursuant to its resolution dated January 19, 2024.

#### **Approval from the Stock Exchange:**

- d. In-principle approval dated April 26, 2024 from the NSE Emerge for using the name of the Exchange in the issue documents for listing of the Equity Shares issued by our Company pursuant to the issue

#### **Agreements with NSDL and CDSL:**

- e. The company has entered into an agreement dated December 05, 2023 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- f. Similarly, the Company has also entered into an agreement dated November 08, 2023 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- g. The Company’s International Securities Identification Number (“ISIN”) is INE0S1L01013.

### II. INCORPORATION RELATED APPROVALS

Sr No.	Nature of Registration/ License	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation	U29100GJ2011PTC063696	Companies Act, 1956	Registrar of Companies, Gujarat,	January 17, 2011	Valid until cancelled

Sr No.	Nature of Registration/ License	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
				Dadra and Nagar Haveli		
2.	Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company	U29100GJ2011PLC063696	Companies Act, 2013	Registrar of Companies, Ahmedabad, Gujarat	August 11, 2023	Valid until cancelled

### **III. TAX RELATED APPROVALS**

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AACCE6042K	January 17, 2011	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AHME01097F	October 25, 2011	Valid until cancelled
3.	Certificate of Registration of Goods and Services Tax (Gujarat)	Centre Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	24AACCE6042K1ZR	April 06, 2021	Valid until cancelled
4.	Professional Tax Enrolment Certificate	Gujarat State Tax on Professions, Trades, Callings and Employment Act 1976	Income Tax Department	PEC014488829	November 30, 2023	Valid until cancelled
5.	Professional Tax Registration Certificate	Gujarat State Tax on Professions, Trades, Callings and Employment Act 1976	Income Tax Department	PRC014400516	November 30, 2023	Valid until cancelled

### **IV. BUSINESS OPERATION RELATED APPROVALS**

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC)	Foreign Trade (Development and Regulation) Act, 1992	Ministry of Commerce & Industry, Office of the Joint Director General of Foreign Trade, Ahmedabad, Gujarat	0811002021	April 27, 2011	Valid until cancelled

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
2.	Factory License	Factories Act, 1948	Deputy Director of Industrial Safety and Health, Gujarat	10561/29222/2020	January 01, 2020	December 31, 2028
3.	Udyam Registration	Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro, Small and Medium Enterprises, Government of India	UDYAM-GJ-01-0010150	September 03, 2020	Valid until cancelled

#### V. LABOUR RELATED APPROVALS


Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Registration under ESI	Employees State Insurance Act, 1948	Sub-Regional Office, Employee's State Insurance Corporation	37000241380000602	July 22, 2010	Valid until cancelled
2.	Registration Certificate under Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service ) Act, 2019	Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service ) Act, 2019	Incharge Assistant Manager (OS), East Zone, Shops and Establishment Department	PII/VTVG/4000990/0278247	February 21, 2024	Valid until cancelled
3.	Certificate of Registration under the contract labour (Regulation and abolition) Act,1970	the contract labour (Regulation and abolition) Act,1970	Deputy Labour Commissioner Office – Ahmedabad	AHD/2023/CLRA/219	19/03/2024	Valid until cancelled
4.	Registration under Employees' Provident Funds	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees' Provident Fund Organisation	GJVAT0051306000	February 05, 2015	Valid until cancelled

#### VI. QUALITY CERTIFICATIONS



Sr No.	Description	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	ISO Certification (9001:2015)  Design, Development, Manufacture, Supply, Installation, Commissioning & Servicing Of Hydraulic Shear & Hydraulic Press Brake, Nc Hydraulic Shear & Nc Hydraulic Press Brake, Cnc Shear & Cnc Syncro Press Brake, Hydraulic Iron Worker, 3 Roll & 4 Roll Plate Rolling Machine, Section Bending Machine, Busbar Machine (Bending, Cutting & Punching),	QRO Certification LLP	305021072101Q	July 21, 2021	July 20, 2024

	Hydraulic C & H Frame Press, Hydraulic Four Pillar & Horizontal Press And Hydraulic Deep Drawing Press Machine				
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**VII. INTELLECTUAL PROPERTY RELATED APPROVALS**

Sr No.	Name Applied	Nature	Application Date	Application Number	Class	Present Status
1.		Trade Mark (Device)	June 06, 2011	2155788	7	Registered

**VIII. APPLICATIONS MADE BY OUR COMPANY, PENDING APPROVAL**

- a) We have made an application in form TM-C to The Trademark Registry for registration of Copyright of  **ENERGYMISSION** MACHINERIES (INDIA) LTD. (Energy Mission Machineries (India) Ltd. With Device) dated December 18, 2023, which is pending for approval.
- b) We have made an application in form TM-A to The Trademark Registry for registration of Trademark of  in class 7 and Class 35 dated December 18, 2023, which is pending for approval.

**IX. MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY - Nil**

## OUR GROUP COMPANY

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated December 30, 2023 for the purpose of disclosure in relation to Group Company in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions: -

- i. Such Company that forms part of the promoter group of our Company in terms of Regulation 2(1)(PP) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- ii. our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of the total revenue of our Company as per the Restated Financial Information.

Based on the above, none of the companies has been identified as our group Companies

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Corporate Approvals**

The Board of Directors, pursuant to a resolution passed at their meeting held on November 10, 2023 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on November 27, 2023 authorized the Issue.

#### **In-principal Approval**

Our Company has obtained in-principal approval from the SME Platform of NSE (NSE EMERGE) for using its name in this Red Herring Prospectus/ Prospectus pursuant to an approval letter dated April 26, 2024. NSE which is the Designated Stock Exchange.

#### **Prohibition by SEBI, RBI or governmental authorities**

As on date of this Red Herring Prospectus, we confirm that our Company, our Promoters, our Promoter Group, our directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

The companies, with which our directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our directors are associated with as promoter or directors is in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoter or directors.

#### **Prohibition with respect to wilful defaulter or a fraudulent borrower**

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulter or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

#### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Red Herring Prospectus.

#### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Issue in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than ten crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange [in this case being the “SME Platform of NSE (NSE EMERGE)”].

#### **We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said



underwriting please refer to section titled **“General Information – Underwriting”** beginning on page 50 of this Red Herring Prospectus.

2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE (NSE EMERGE). For further details of the arrangement of market making please refer to section titled **“General Information-Details of the Market Making Arrangements for this Issue”** beginning on page 50 of this Red Herring Prospectus.
5. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
6. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, none of the Issuer’s promoters or directors is a fugitive economic offender.
7. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to SME Platform of NSE and National Stock Exchange of India Limited is the Designated Stock Exchange.
8. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
9. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
10. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.
11. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated December 05, 2023 and National Securities Depository Limited (NSDL) dated November 28, 2023 for establishing connectivity.
12. Our Company has a website i.e. <https://www.energymission.com/>
13. There has been no change in the promoters of the Company in the preceding one year from date of filing application to SME Platform of NSE.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of NSE:

- 1) Our Company was originally incorporated as a private limited Company under the name of “Energy-Mission Machineries (India) Private Limited” on January 17, 2011 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing registration number as 063696. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on July 31, 2023 and the name of our Company was changed

from “Energy-Mission Machinerics (India) Private Limited” to “Energy-Mission Machinerics (India) Limited” vide fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate identification number of our Company is U29100GJ2011PLC063696.

- 2) The post issue paid up capital of the company will be up to 1,13,44,500 shares of face value of ₹ 10/- aggregating up to ₹ 11.34 Crores which is less than ₹ 25 Crores.
- 3) The Company has a track record of at least 3 years as on the date of filling Red Herring Prospectus.
- 4) As on December 31, 2023, the Company has net tangible assets of ₹ 9947.98 Lakhs.
- 5) The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for atleast 2 financial years preceding the application and its net worth as on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 is positive.

Particulars	(₹ Lakhs)			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
EBITDA	1271.26	1,360.64	795.91	450.66
Networth	3,027.82	2,353.02	1,563.01	1,226.84

- 6) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the Company;
- 7) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
- 8) There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- 9) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company
- 10) The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 19, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Ahmedabad in terms of sections 26 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
<b>SME:</b>								
1.	Siyaram Recycling Industries Limited	22.96	46.00	December 21, 2023	55.00	124.07% [-0.70%]	60.96% [2.81%]	N.A.
2.	Shanti Spintex Limited	31.25	70.00	December 27, 2023	76.00	9.19% [-0.13%]	-25.41% [0.59%]	N.A.
3.	Shri Balaji Valve Components Limited	21.60	100.00	January 03, 2024	190.00	129.25% [1.02%]	65.80% [3.57%]	N.A.
4.	New Swan Multitech Limited	33.11	66.00	January 18, 2024	124.47	44.47% [2.14%]	13.70% [1.83%]	N.A.
5.	Harshdeep Hortico Limited	19.09	45.00	February 05, 2024	70.00	5.33% [3.28%]	N.A.	N.A.
6.	Megatherm Induction Limited	53.91	108.00	February 05, 2024	198.00	168.89% [3.23%]	N.A.	N.A.
7.	Sona Machinery Limited	51.82	143.00	March 13, 2024	125.00	-8.71% [2.37%]	N.A.	N.A.
8.	Enfuse Solutions Limited	22.44	96.00	March 22, 2024	115.00	25.65% [1.08%]	N.A.	N.A.
9.	Aspire & Innovative Advertising Limited	21.97	54.00	April 03, 2024	56.50	N.A.	N.A.	N.A.
10.	Blue Pebble Limited	18.14	168.00	April 03, 2024	199.00	N.A.	N.A.	N.A.

\*Out of the last 10 issues, the Book Running Lead Manager, Hem Securities Limited has not carried out any Main Board Issues

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

- 1) The scrip of Siyaram Recycling Industries Limited, Shanti Spintex Limited, Shri Balaji Valve Components Limited & New Swan Multitech Limited have not completed its 180<sup>th</sup> days from the date of listing; Harshdeep Hortico Limited, Megatherm Induction Limited, Sona Machinery Limited & Enfuse Solutions Limited have not completed its 90<sup>th</sup> day from the date of listing and Aspire & Innovative Advertising Limited & Blue Pebble Limited have not completed its 30<sup>th</sup> day from the date of listing.

**Summary statement of Disclosure:**

Financial Year	Total amount	No. of IPOs trading at discount-30th	No. of IPOs trading at Premium-30th	No. of IPOs trading at discount-180th	No. of IPOs trading at Premium-180th
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	Total no. of IPOs	of funds raised (₹ Cr.)	calendar days from listing			calendar days from listing			calendar days from listing			calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	15 <sup>(1)</sup>	220.57	-	-	-	6	6	3	-	-	-	12	-	3
2023-24	21 <sup>(2)</sup>	680.45	-	-	1	12	5	3	-	-	1	6	1	2
2024-25	2 <sup>(3)</sup>	40.11	-	-	-	-	-	-	-	-	-	-	-	-

- 1) The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December 08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08, 2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023;
- 2) The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023; Greenchef Appliances Limited was listed on July 06, 2023; Kaka Industries Limited was listed on July 19, 2023; Asarfi Hospital Limited was listed on July 26, 2023; Kahan Packaging Limited was listed on September 15, 2023; Madhusudan Masala Limited was listed on September 26, 2023; Saakshi Medtech And Panels Limited was listed on October 03, 2023; Arabian Petroleum Limited was listed on October 09, 2023, E Factor Experiences Limited was listed on October 09, 2023, Paragon Fine and Speciality Chemical Limited was listed on November 03, 2023, Deepak Chemtex Limited was listed on December 06, 2023, S J Logistics (India) Limited was listed on December 19, 2023, Siyaram Recycling Industries Limited was listed on December 21, 2023, Shanti Spintex Limited was listed on December 27, 2023, Shri Balaji Valve Components Limited was listed on January 03, 2024, New Swan Multitech Limited was listed on January 18, 2024, Harshdeep Hortico Limited was listed on February 05, 2024, Megatherm Induction Limited was listed on February 05, 2024, Sona Machinery Limited was listed on March 13, 2024 and Enfuse Solutions Limited was listed on March 22, 2024;
- 3) The scrip of Aspire & Innovative Advertising Limited was listed on April 03, 2024 and Blue Pebble Limited was listed on April 03, 2024.

**Note:**

- Based on date of listing.
- 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 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- N.A. – Period not completed.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings) managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

**Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at [www.hesecurities.com](http://www.hesecurities.com).

**Disclaimer from our Company and the Book Running Lead Manager**

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or, in case of the Company, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Hem securities Limited), and our Company on January 17, 2024 and the Underwriting Agreement dated January 17, 2024 entered into between the Underwriter, and our Company and the Market Making Agreement dated January 17, 2024 entered into among the Market Maker and our Company.

All information shall be made available by our Company, and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the issue.

**Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Ahmedabad, Gujarat, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Disclaimer Clause of the NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/3361 dated April 26, 2024 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with the SEBI/ RoC**

The Draft Red Herring Prospectus was filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

The Draft Red Herring Prospectus was not be filed with SEBI, nor SEBI issued any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/ Prospectus, along with the material contract & documents required to be filed, will be filed with the RoC through the electronic portal at <http://www.mca.gov.in>.

#### **Listing**

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated April 26, 2024 for listing of equity shares on SME Platform of NSE (NSE EMERGE).

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the NSE EMERGE is not granted by NSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE mentioned above are taken within three (3) Working Days of the Bid/Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within three (3) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

#### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

### **Consents**

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Book Running Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue/ Sponsor Bank, Syndicate Members, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, M/s. SSPJ & Co., Chartered Accountants, Statutory Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Special Tax Benefits relating to the special tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

### **Experts Opinion**

Except for the reports in the section titled “*Financial Statements*” and “*Statement of Special Tax Benefits*” on page 151 and 89 respectively of this Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

### **Fees, Brokerage and Selling Commission payable**

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated January 17, 2024 with the Book Running Lead Manager, (ii) the Underwriting Agreement dated January 17, 2024 with the Underwriter and (iii) the Market Making Agreement January 17, 2024 with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 AM to 5.00 PM on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated January 18, 2024, a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Red Herring Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to the section titled “*Capital Structure*” beginning on page 61 of this Red Herring Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Previous capital issue during the last three years by listed Group Companies of our Company**

None of our Group Companies are listed. Further, none of our Group Companies have made any capital issue of securities in the preceding three years.

### **Performance vis-à-vis objects**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **Partly Paid-Up Shares**

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Red Herring Prospectus.

### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

### **Stock Market Data for our Equity Shares**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Investor Grievances and Redressal System**

The agreement between the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investors complaints received during the three years preceding the filing of this Red Herring Prospectus. Since there are no investors complaints received, none are pending as on the date of filing of this Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.



## **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Bhargavi Dilipbhai Gupta, as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Bhargavi Dilipbhai Gupta  
Company Secretary and Compliance Officer  
**Energy-Mission Machineries (India) Limited**  
**Address:** E-9/3 & E-12 Sanand-II Industrial Area, Bol GIDC Sanand, Bol,  
Ahmedabad, Sanand, Gujarat, India, 382170  
**Tel. No.:** +91- 7984768296  
**Email:** [cs@energymission.com](mailto:cs@energymission.com)  
**Website:** <https://www.energymission.com/>

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Board by a resolution on December 30, 2023 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "**Our Management**" beginning on page 130 of this Red Herring Prospectus.

## **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

## **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

## **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "**Statement of Special Tax Benefits**" beginning on page 89 of this Red Herring Prospectus.

## **Purchase of Property**

Other than as disclosed in Section "**Our Business**" beginning on page 104 of this Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

## **Capitalization of Reserves or Profits**

Save and except as stated in "**Capital Structure**" on page 61 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

**Revaluation of assets**

There has not been any revaluation of assets since incorporation of the Company.

**Servicing Behavior**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled ***“Our Management”*** beginning on page 130 and chapter ***“Financial Information”*** beginning on page 151 of this Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**Exemption from complying with any provisions of securities laws, if any**

As on date of the Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

## **SECTION VIII: ISSUE RELATED INFORMATION** **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+3 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+3 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the offer and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the offer and Depository Participants as and when the same is made available.*

### **Authority for the Issue**

The present Public Issue of upto 29,82,000 Equity Shares includes a fresh issue of 29,82,000 equity shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on November 10, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on November 27, 2023 in accordance with the provisions of Section 23(1)(c), 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013.

### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, ‘**Main Provisions of Article of Association**’, beginning on page 274 of this Red Herring Prospectus.

### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved

by the Board of Directors. For further details, please refer to section titled "*Dividend Policy*" and "*Main Provisions of Article of Association*" beginning on page 150 and 274 respectively of this Red Herring Prospectus.

### **Face Value and Issue Price**

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price"). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of Business Standard , an English national daily newspaper and all editions of Business Standard , a Hindi national daily newspaper and Ahmedabad edition of Ahmedabad Express, a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 274 of this Red Herring Prospectus.

### **Allotment only in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated November 28, 2023 between NSDL, our Company and Registrar to the Issue; and

- Tripartite Agreement dated December 05, 2023 between CDSL, our Company and Registrar to the Issue.

### **Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE Emerge (SME platform of NSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Ahmedabad, Gujarat, India.

**The Equity Shares have not been and will not be registered under the U.S Securities Act, 1933 or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the U.S. Securities Act, 1933 and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Period of Subscription List of Public Issue

Event	Indicative Dates
Bid/ Issue Opening Date	May 09, 2024 <sup>1</sup>
Bid/ Issue Closing Date	May 13, 2024 <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange(T+1)	On or about May 14, 2024
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*(T+2)	On or about May 15, 2024
Credit of Equity Shares to Demat Accounts of Allottees(T+2)	On or about May 15, 2024
Commencement of Trading of The Equity Shares on the Stock Exchange(T+3)	On or about May 16, 2024

*The above time table is indicative and does not constitute any obligation on our Company. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE Emerge platform is taken within Three Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.*

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations*

*<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

**\*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.**

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

- (i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum-Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum-Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum-Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally

liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled **“General Information - Underwriting”** on page 50 of this Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above ₹25.00 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board. Or

If the Paid-up Capital of the company is more than ₹10 crores but below ₹25 crores and if the company fulfils the eligibility criteria for listing laid down by the main board, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the NSE Emerge (SME platform of NSE), wherein the BRLM to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE.

For further details of the agreement entered into between the Company the BRLM and the Market Maker please refer to section titled **“General Information - Details of the Market Making Arrangements for this Issue”** on page 50 of this Red Herring Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of NSE.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue:**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person



Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled "**Capital Structure**" beginning on page 61 of this Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "**Main Provisions of the Articles of Association**" beginning on page 274 of this Red Herring Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than or equal to ten Crore rupees but less than twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("*SME Exchange*", in this case being the NSE Emerge i.e. SME platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the issue*" and "*Issue Procedure*" on page 232 and 243 of this Red Herring Prospectus.

### Issue Structure:

The present issue is of upto 29,82,000 Equity Shares of face value of ₹10.00/- each ("Equity Shares") for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share (the "Issue Price") aggregating to ₹ [●] Lakhs ("the Issue") by the issuer Company (the "Company") comprising of a fresh issue of upto 29,82,000 equity shares aggregating to ₹ [●] Lakhs (the "Fresh Issue") of which upto 1,50,000 equity shares of face value of ₹10.00/- each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs will be reserved for subscription by Market Maker to the issue (the "Market Maker Reservation Portion").

The Issue less the Market Maker Reservation Portion i.e., Net Issue of 28,32,000 equity shares of face value of ₹. 10.00/- each at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹ [●] lakhs (the "Net Issue"). The Issue and the Net Issue will constitute 26.33% and 25.00% respectively of the post issue paid up equity share capital of our company. The Issue is being made through the Book Building Process. For further details, please refer chapter titled "*Terms of the Issue* " on page 232 of this Red Herring Prospectus.

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto 1,50,000 Equity Shares	Not more than 14,15,000 Equity Shares	Not less than 4,25,000 Equity Shares	Not less than 9,92,000 Equity Shares
<b>Percentage of Offer available for allocation</b>	5.03% of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares.	Proportionate basis subject to minimum allotment of [●] Equity Shares

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		<p>proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p>		
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	1,50,000 Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	1,50,000 Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	[●] Equity Shares
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process via Banks or by using UPI ID for payment

\* Subject to finalization of basis of allotment.

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

(1) Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.

(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

(3) Subject to valid Bids being received at or above the issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid cum Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “**Issue Procedure - Bids by FPIs**” on pages 243 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the issue after the Bid/Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) filing of the Red Herring Prospectus/ Prospectus with ROC.

### Issue Program

Event	Indicative Dates
Bid/ Issue Opening Date	May 09, 2024 <sup>1</sup>
Bid/ Issue Closing Date	May 13, 2024 <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange(T+1)	On or about May 14, 2024
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account Id Linked Bank Account(T+2)	On or about May 15, 2024
Credit of Equity Shares to Demat accounts of Allottees(T+2)	On or about May 15, 2024
Commencement of trading of the Equity Shares on the Stock Exchange(T+3)	On or about May 16, 2024

The above time table is indicative and does not constitute any obligation on our Company. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE Emerge platform is taken within Three Working Days from the Issue Closing Date, the timetable may change

due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.*

*<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Bid-Cum- Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## **ISSUE PROCEDURE**

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 issued by SEBI and the UPI Circulars “the General Information Document” which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications and electronic registration of bids; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective alongwith the existing process existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), With effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. This shall be applicable voluntarily for all public issues opening on or after September 1, 2023, and shall be mandatory for all public issues opening on or after December 1, 2023. Please note that we may need to make appropriate changes in the Red Herring Prospectus and the Prospectus depending on the timing of the opening of the Offer.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”) to act as intermediaries for submitting Application Forms are provided on [www1.nseindia.com/emerge](http://www1.nseindia.com/emerge) For details on their designated branches for submitting Application Forms, please see the above mentioned website of Platform of National Stock Exchange of India Limited (“NSE EMERGE”).

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the

*completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Red Herring Prospectus.*

*Further, the Company and the BRLM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.*

### **Phased implementation of Unified Payments Interface**

SEBI has issued the "UPI Circulars" in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, UPI mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment Mechanism, the UPI Circular have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of designated intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, decided to continue Phase II of Unified Payments Interface with Application Supported by Blocked Amount until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## **PART A**

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of

which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

***Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.***

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

**Anchor Investors are not permitted to participate in the issue through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:



Category	Colour*
Anchor Investor**	White
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank

<b>by investors to intermediaries other than SCSBs with use of UPI for payment</b>	on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.
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Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

### **Availability of Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Gujarati Edition of Regional newspaper Ahmedabad Express where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Gujarati Edition of Regional newspaper Ahmedabad Express where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e., one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “**Escrow Mechanism - Terms of payment and payment into the Escrow Accounts**” in the section “**Issue Procedure**” beginning on page 243 of this Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual bidders may bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **Participation by Associates / Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

#### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders**

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national

newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.

2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.

- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but upto ₹2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in

colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot



invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUFs:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the

Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks’ own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/ corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company’s paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB’S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor

lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “ENERGY-MISSION MACHINERIES (INDIA) LIMITED IPO – ANCHOR ACCOUNT - R”
- b. In case of Non-Resident Anchor Investors: “ENERGY-MISSION MACHINERIES (INDIA) LIMITED IPO – ANCHOR ACCOUNT - NR”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will available

at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.

6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
- Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our

management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a) Our company has entered into an Underwriting Agreement dated January 17, 2024
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

### **Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account

- holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
  8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
  9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
  10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
  11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
  12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
  13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
  14. Ensure that the Demographic Details are updated, true and correct in all respects;
  15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
  16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
  17. Ensure that the category and the investor status is indicated;
  18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
  19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
  20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
  21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
  22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
  23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
  24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
  25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
  26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
  27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.



**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Bids by UPI Bidders with Bid Amount of a value of more than ₹200,000 (net of retail discount)
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Other instructions for the Bidders****Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

**Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

**Investor Grievance**

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

**Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

## Submission of Bids

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

## GROUNDS OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

#### **BASIS OF ALLOTMENT**

##### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

##### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment

shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

c. **For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

d. **ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
- a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;  
a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
  - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

c) 50% of the Equity Shares Allotted to the Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

**d) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**e) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**f) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (SME platform of NSE) (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director/ Managing Director of NSE - the Designated Stock Exchange in addition to Book

Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge (SME platform of NSE) where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (Two) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

**“Any person who-**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

### **Undertakings by Our Company**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within three Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter ‘s contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**



To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated November 28, 2023 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated December 05, 2023 between CDSL, our Company and Registrar to the Issue.

The Company's equity shares bear an ISIN No. INEOS1L01013

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "FDI Policy"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management. (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not

be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paidup value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no issue to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such issue made under exemptions available under the Prospectus Directive, provided that no such Issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in

compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

*The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on November 27, 2023 In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company*

<b>INTERPRETATION</b>	
I	<p>1. In these regulations-</p> <p style="padding-left: 20px;">b. "the Act" means the Companies Act, 2013,</p> <p style="padding-left: 20px;">c. "the seal" means the common seal of the company.</p> <p>2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.</p>
<b>SHARE CAPITAL AND VARIATION OF RIGHTS</b>	
II. 1.	Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2.	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-</p> <p style="padding-left: 20px;">a. one certificate for all his shares without payment of any charges; or</p> <p style="padding-left: 20px;">b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon.</p> <p>iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>
3.	<p>i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p>ii. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.</p>
4.	Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5.	<p>i. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>
6.	<p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p>

	<p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
7.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
8.	Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
<b>LIEN</b>	
9.	<p>i. The company shall have a first and paramount lien</p> <p>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p> <p>iii. That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.</p>
10.	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made-</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>
11.	<p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>
12.	<p>i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>
<b>CALLS ON SHARES</b>	
13.	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p> <p>iv. That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits</p>
14.	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

15.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16.	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.  The Board shall be at liberty to waive payment of any such interest wholly or in part.
17.	<ul style="list-style-type: none"> <li>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</li> <li>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</li> </ul>
18.	<p>The Board -</p> <ul style="list-style-type: none"> <li>a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and</li> <li>b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</li> </ul>
<b>TRANSFER OF SHARES</b>	
19.	<ul style="list-style-type: none"> <li>i. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</li> <li>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</li> <li>iii. That a common form of transfer shall be used</li> </ul>
20.	<ul style="list-style-type: none"> <li>i. The Board may, subject to the right of appeal conferred by section 58 decline to register—</li> <li>ii. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>iii. any transfer of shares on which the company has a lien.</li> </ul>
21.	<p>The Board may decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> <li>a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</li> <li>c. the instrument of transfer is in respect of only one class of shares.</li> </ul> <p>That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever</p>
22.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>
<b>TRANSMISSION OF SHARES</b>	
23.	<ul style="list-style-type: none"> <li>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares</li> <li>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</li> </ul>

	iii. That a common form of transmission shall be used
24.	<p>i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-</p> <p>a. to be registered himself as holder of the share; or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
25.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
26.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
<b>FORFEITURE OF SHARES</b>	
27.	If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
28.	The notice aforesaid shall- <p>a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>
29.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30.	<p>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>
31.	<p>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.</p> <p>ii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.</p>
32.	<p>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p>



	<p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>
33.	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
<b>ALTERATION OF CAPITAL</b>	
34.	The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35.	<p>Subject to the provisions of section 61, the company may, by ordinary resolution-</p> <p>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and</p> <p>iv. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p> <p>v. Permission for sub-division/ consolidation of share certificates</p>
36.	<p>Where shares are converted into stock,—</p> <ul style="list-style-type: none"> <li>• the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</li> <li>• Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</li> <li>• the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</li> <li>• such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</li> </ul>
37.	<p>The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law-</p> <ul style="list-style-type: none"> <li>• its share capital;</li> <li>• any capital redemption reserve account; or</li> <li>• any share premium account.</li> </ul>
<b>CAPITALISATION OF PROFITS</b>	
38.	<p>The company in general meeting may, upon the recommendation of the Board, resolve-</p> <p>i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and</p> <p>ii. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p>

	<p>iii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-</p> <ol style="list-style-type: none"> <li>a. paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</li> <li>c. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</li> </ol> <p>iv. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>v. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p>
39.	<ol style="list-style-type: none"> <li>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall- <ol style="list-style-type: none"> <li>a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all</li> <li>b. allotments and issues of fully paid shares if any; and</li> <li>c. generally do all acts and things required to give effect thereto.</li> </ol> </li> <li>ii. The Board shall have power- <ol style="list-style-type: none"> <li>1. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</li> <li>2. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</li> </ol> </li> <li>iii. Any agreement made under such authority shall be effective and binding on such members</li> </ol>
<b>BUY-BACK OF SHARES</b>	
40.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
<b>GENERAL MEETINGS</b>	
41.	All general meetings other than annual general meeting shall be called extraordinary general meeting.
42.	<ol style="list-style-type: none"> <li>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</li> <li>ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</li> </ol>
<b>PROCEEDINGS AT GENERAL MEETINGS</b>	
43.	<ol style="list-style-type: none"> <li>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</li> <li>ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</li> </ol>
44.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
<b>ADJOURNMENT OF MEETING</b>	
47.	<ol style="list-style-type: none"> <li>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</li> <li>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</li> </ol>

	<p>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
<b>VOTING RIGHTS</b>	
48.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,</p> <p>i. on a show of hands, every member present in person shall have one vote;</p> <p>ii. and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p> <p>iii. That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings</p>
49.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50.	<p>i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
51.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52.	Any business other than that upon which a poll has been demanded maybe proceeded with, pending the taking of the poll.
53.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54.	<p>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p>
<b>PROXY</b>	
55.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>
<b>BOARD OF DIRECTORS</b>	
58.	<p>The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The following are the First Directors of the Company:</p> <ol style="list-style-type: none"> <li>1. Satishkumar Kanjibhai Parmar</li> <li>2. Dineshkumar Shankarlal Chaudhary</li> </ol>
59.	<p>The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-</p>

	<ul style="list-style-type: none"> <li>• in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>• in connection with the business of the company.</li> </ul>
60.	The Board may pay all expenses incurred in getting up and registering the company.
61.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
63.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64.	<ol style="list-style-type: none"> <li>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</li> <li>ii. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</li> </ol>
<b>PROCEEDINGS OF THE BOARD</b>	
65.	<p>The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>
66.	<ol style="list-style-type: none"> <li>i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</li> <li>ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</li> </ol>
67.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68.	<ol style="list-style-type: none"> <li>i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</li> <li>ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</li> </ol>
69.	<ol style="list-style-type: none"> <li>i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</li> <li>ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</li> </ol>
70.	<ol style="list-style-type: none"> <li>i. A committee may elect a Chairperson of its meetings.</li> <li>ii. If no such Chairperson is elected, or if at any meeting the 72 Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</li> </ol>
71.	<ol style="list-style-type: none"> <li>i. A committee may meet and adjourn as it thinks fit.</li> <li>ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</li> </ol>

72.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>	
74.	Subject to the provisions of the Act, i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;  ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
<b>THE SEAL</b>	
76.	i. The Board shall provide for the safe custody of the seal.  ii. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.
<b>DIVIDENDS AND RESERVE</b>	
77.	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79.	i. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.  ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
80.	i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.  ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.  iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
81.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

82.	<p>i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>
83.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85.	No dividend shall bear interest against the company.
<b>ACCOUNTS</b>	
86.	<p>i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>ii. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
<b>WINDING UP</b>	
87.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder-</p> <p>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
<b>INDEMNITY</b>	
88.	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

**SECTION X – OTHER INFORMATION**  
**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 A.M. and 5 P.M. on all Working Days from the date of this Red Herring Prospectus until the Issue Closing Date.

**Material Contracts**

1. Agreement dated January 17, 2024 between our Company and the Book Running Lead Manager to the Issue.
2. Agreement dated January 18, 2024 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated March 28, 2024 among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated January 17, 2024 between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated January 17, 2024 between our Company, Book Running Lead Manager and Underwriter.
6. Syndicate Agreement dated March 28, 2024 between our Company, Book Running Lead Manager and Registrar to the Issue and Syndicate Members.
7. Tripartite Agreement dated December 05, 2023 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated November 28, 2023 among NSDL, the Company and the Registrar to the Issue.

**Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated January 17, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
3. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated August 11, 2023 issued by the Registrar of Companies, Ahmedabad, Gujarat.
4. Copy of the Board Resolution dated November 10, 2023 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated November 27, 2023 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the stub period ended on December 31, 2023 and financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.
7. Statutory Auditors Report dated April 30, 2024 on the Restated Financial Statements for the stub period ended on December 31, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.
8. Copy of the Statement of Tax Benefits dated January 03, 2024 from the Statutory Auditor.
9. Certificate on KPI's issued by Peer Review Auditor dated April 30, 2024.
10. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Syndicate Member, Banker to the Issue/ Sponsor Bank, Statutory Auditor of the Company, Peer Review Auditor, Advisors to the Issue, Bankers to our Company, Promoters, Directors, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated January 19, 2024 for approval of Draft Red Herring Prospectus, dated May 01, 2024 for approval of Red Herring Prospectus.
12. Due Diligence Certificate from Book Running Lead Manager dated January 19, 2024.
13. Approval from NSE vide letter dated April 26, 2024 to use the name of NSE in the RHP/Prospectus for listing of Equity Shares on the NSE Emerge (SME Platform) of the NSE.

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS AND CFO OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Satishkumar Kanjibhai Parmar Chairman, Executive Director and CFO DIN: 03297705	Sd/-

Date: May 01, 2024

Place: Ahmedabad, Gujarat



### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Dineshkumar Shankarlal Chaudhary Managing director DIN: 03297711	Sd/-

Date: May 01, 2024

Place: Ahmedabad, Gujarat

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Ashokkumar Ramjibhai Panchal Whole-Time Director DIN: 03498821	Sd/-

Date: May 01, 2024

Place: Ahmedabad, Gujarat

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Sumitraben Mehta Non-Executive Director DIN: 10352828	Sd/-

Date: May 01, 2024

Place: Ahmedabad, Gujarat

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Himanshu Jayantilal Trivedi Independent Director DIN: 10341846	Sd/-

Date: May 01, 2024

Place: Ahmedabad, Gujarat

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Vipul Mehta Independent Director DIN: 10341290	Sd/-

Date: May 01, 2024

Place: Ahmedabad, Gujarat

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Bhargavi Dilipbhai Gupta Company Secretary and Compliance Officer	Sd/-

Date: May 01, 2024

Place: Ahmedabad, Gujarat