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Draft Red Herring Prospectus

Dated: January 06, 2024



100% Book Building Offer

Please read Section 26 and 32 of the Companies Act, 2013



## AVP INFRACON LIMITED

Corporate Identity Numbers: U45400TN2009PLC072861

REGISTERED OFFICE		CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
Plot No. E-30, Second floor, IInd Avenue, Besant Nagar, Chennai- 600090, Tamil Nadu, India- 600090		N.A.	Ms. Priyanka Singh Company Secretary & Compliance Officer	Tel No: +91-44-48683999 Email Id: cs@avpinfra.com	<a href="http://www.avpinfra.com">www.avpinfra.com</a>
PROMOTER OF OUR COMPANY: MR. D PRASANNA AND MR. B VENKATESHWARLU					
DETAILS OF THE ISSUE					
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY	
Fresh Issue	Up to 69,79,200 Equity Shares aggregating to ₹ [●] Lakhs	Nil	Up to 69,79,200 Equity Shares aggregating to ₹ [●] 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					
The face value of the Equity Shares is ₹ 10/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in “Basis for Issue Price” on page 87 or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily Tamil Nadu regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date, should not be taken 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 or 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 this 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 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 contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to section titled “Risk Factors” appearing on page 26 of this Draft Red Herring Prospectus.					
ISSUER’S ABSOLUTE RESPONSIBILITY					
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 Draft 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 Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For 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	
		Mr. Anand Srivastava		Email: anand.srivastava@shareindia.co.in Tel. No: +91-120-4910000	
SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED					
REGISTRAR TO THE ISSUE					
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE	
		Ms. Deepali Dhuri		Email: support@purvashare.com Tel. No: +91-22-23018261	
PURVA SHAREREGISTRY INDIA PRIVATE LIMITED					
BID/ISSUE PERIOD					
BID/ISSUE OPENS ON: [●]			BID/ISSUE CLOSES ON: [●]		

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 Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.



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## AVP INFRACON LIMITED

Corporate Identity Numbers: U45400TN2009PLC072861

Our Company was incorporated as AVP Constructions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated September 09, 2009, issued by Registrar of Companies, Chennai. Subsequently, the name of our Company was changed to 'AVP Infracon Private Limited' and a fresh certificate of incorporation consequent upon change of the name was issued by the Registrar of Companies, Chennai dated October 06, 2023. Further, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at the Extra Ordinary General Meeting of the Company held on October 20, 2023 and the name of our Company was changed from "AVP Infracon Private Limited" to "AVP Infracon Limited" vide a fresh Certificate of Incorporation dated November 17, 2023 having CIN U45400TN2009PLC072861 issued by the Registrar of Companies, Chennai. For details of change in name and registered office of our Company, please refer to chapter titled "Our History and Certain Other Corporate Matters" beginning on page no. 147 of this Draft Red Herring Prospectus.

**Registered Office:** Plot No. E-30, Second floor, IInd Avenue, Besant Nagar, Chennai- 600090, Tamil Nadu, India

**Website:** [www.avpinfra.com](http://www.avpinfra.com); **E-Mail:** [cs@avpinfra.com](mailto:cs@avpinfra.com) **Telephone No:** +91-44-48683999

**Company Secretary and Compliance Officer:** Ms. Priyanka Singh

PROMOTER OF OUR COMPANY: MR. D PRASANNA AND MR. B VENKATESHWARLU	
THE ISSUE	
<p><b>INITIAL PUBLIC ISSUE OF UP TO 69,79,200 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF AVP INFRACON LIMITED ("AIL" OR THE "COMPANY" OR THE "ISSUER") 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"), OF WHICH 7,31,200 EQUITY SHARES OF FACE VALUE OF ₹ 10/- 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 62,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.94% AND 25.01%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.</b></p> <p><b>THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED TAMIL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] THE REGIONAL LANGUAGE OF TAMIL NADU, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITE.</b></p> <p>In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, 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 respective websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.</p> <p>This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net 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. However, if the aggregate demand from Mutual Funds is less than 5.00% 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 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "Issue Procedure" on page 311.</p> <p><i>All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 311 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.</i></p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price, the Cap Price and the Issue Price should not be taken 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 and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 26 of this Draft Red Herring Prospectus.</p>	
COMPANY'S ABSOLUTE RESPONSIBILITY	
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 Draft 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.</p>	
LISTING	
<p>The Equity Shares Issued through Draft Red Herring Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in Issue document for listing our shares on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). For this Issue, the designated Stock Exchange is the National Stock Exchange of India Limited ("NSE").</p>	
BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p><b>SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED</b>  <b>SEBI Registration Number:</b> INM000012537  <b>Address:</b> A-15, Sector-64, Noida – 201301, Uttar Pradesh, India  <b>Telephone Number:</b> +91-120-4910000  <b>Email Id:</b> <a href="mailto:anand.srivastava@shareindia.co.in">anand.srivastava@shareindia.co.in</a>  <b>Investors Grievance Id:</b> <a href="mailto:info@shareindia.com">info@shareindia.com</a>  <b>Website:</b> <a href="http://www.shareindia.com">www.shareindia.com</a>  <b>Contact Person:</b> Mr. Anand Srivastava  <b>CIN:</b> U65923UP2016PTC075987</p>	 <p><b>PURVA SHARE REGISTRY INDIA PRIVATE LIMITED</b>  <b>SEBI Registration Number:</b> INR000001112  <b>Address:</b> 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (E), Mumbai – 400011  <b>Tel. Number:</b> +91-22-2301 8261  <b>Contact Person:</b> Ms. Deepali Dhuri  <b>Email Id:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a>  <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a>  <b>CIN:</b> U67120MH1993PTC074079</p>
BID/ISSUE PERIOD	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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 Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.

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EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2018.***

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.*

*Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “Financial Statements”, “Outstanding Litigation and Other Material Developments”, will have the meaning as described to such terms in these respective sections.*

*In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.*

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

#### General Terms

Term	Description
“AVP Infracon”, “We” or “us” or “our Company” or “the Issuer” or “the Company”	Unless the context otherwise requires, refers to AVP Infracon Limited (Formerly Known as AVP Infracon Private Limited and AVP Constructions Private Limited) a company incorporated under the Companies Act, 1956 and complied the amended Companies Act 2013, vide Corporate Identification Number U45400TN2009PLC072861 and having registered office at Plot No. E-30, IInd Floor, IInd Avenue Besant Nagar, Chennai, Tamil Nadu - 600090, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
Promoters	Mr. D Prasanna and Mr. B Venkateshwarlu
Promoter Group	1. Mrs. Gowri Manohari D 2. Mr. Vasanth D 3. Mrs. D Bhaghyavathy 4. Mrs. Vasumathi Chokkarapu

#### Company Related Terms

Terms	Description
Articles / Articles of Association AOA	The Articles/ Articles of Association of our Company, as amended from time to time.
Auditor/ Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, M/s. P P N and Company, Chartered Accountants.
Audit Committee	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the other applicable laws, and as described in “Our Management” beginning on page 155.

Board of Directors / Board/ Director(s)	The board of directors of our company
Chairman and Managing Director	The Chairman and Managing Director of Our Company, namely Mr. D Prasanna.
Companies Act	The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed.
Company Secretary and Compliance Officer	Ms. Priyanka Singh the Company Secretary and the Compliance Officer of our Company.
Chief Financial Officer/ CFO	Mr. B Venkateshwarlu, Chief Financial Officer of our Company.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013, as described in "Our Management" beginning on page 155.
Depositories Act	The Depositories Act, 1956, as amended from time to time.
Director(s)	The director(s) on the Board of our Company as described in "Our Management" beginning on page 155 of this Draft Red Herring Prospectus
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Equity Shareholders	Persons holding equity shares of our Company.
Executive Directors	The whole-time directors/ Executive directors on our Board
Group Companies	In terms of SEBI ICDR Regulations, the term 'group companies' includes include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board and such other companies as considered material by our Board in accordance with the Materiality Policy, and as identified in "Our Group Entities" beginning on page 183 of this Draft Red Herring Prospectus.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
ISIN	International Securities Identification Number, in this case, being INE0R9401019
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "Our Management" beginning on page 155 of this Draft Red Herring Prospectus.
Managing Director/ MD	Mr. D Prasanna is the Managing Director and Mr. B Venkateshwarlu is the Joint Managing Director of our Company.
Materiality Policy	The policy adopted by our Board on December 11, 2023 for identification of material Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
MOA/Memorandum of Association	Memorandum of Association of our company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "Our Management" beginning on page 155 of this Draft Red Herring Prospectus.
Non-Executive Directors	Non-Executive Director(s) of our company.



Registered Office	The registered office of our Company situated at Plot No. E-30, IInd Floor, IInd Avenue Besant Nagar, Chennai, Tamil Nadu - 600090, India.
Registrar of Companies/ ROC	The Registrar of Companies, Chennai, situated at Shastri Bhavan, II Floor, 26, Haddows Road, Chennai - 600006.
Restated Financial Information / Restated Consolidated Financial Statement	Restated financial statements of our Company for the period ended October 31, 2023 and the Fiscals 2023, 2022, 2021 prepared in accordance with Indian GAAP and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations. For details, see “Financial Statement” on page 190 of this Draft Red Herring Prospectus.
SME Exchange	A trading platform of a recognized stock exchange having nationwide trading terminals permitted by SEBI to list the specified securities issued in accordance with the SEBI ICDR Regulations and includes stock exchange granted recognition for this purpose but does not include the Main Board.
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 from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI (Takeover) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time.
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see “ <i>Our Management</i> ” on page 155 of this Draft Red Herring Prospectus.
Whole-time Director	Mr. Vasanth D is the Whole-Time Director of our Company.

## Offer Related Terms

Terms	Description
<b>Abridged Prospectus</b>	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form.
<b>Acknowledgement Slip</b>	The slip or document issued by a Designated Intermediary(ies) to an applicant as proof of registration of the Bid cum Application Form
<b>Allotment/ Allot/ Allotted</b>	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Applicants.
<b>Allotment Advice</b>	A note or advice or intimation of Allotment sent to the Successful Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
<b>Allottee</b>	The successful applicant to whom the Equity Shares are being / have been allotted.
<b>Applicant / Investor</b>	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.



<b>Application Form</b>	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
<b>Application Amount</b>	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the applicants on submission of the Application Form.
<b>ASBA/ Application Supported by Blocked Amount.</b>	An application (whether physical or electronic) by an ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include application made by RIIs using the UPI mechanism, Where the application amount will be blocked upon acceptance of UPI mandate Request by RIIs.
<b>ASBA Account</b>	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder.
<b>ASBA Applicant(s)</b>	Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application Form including through UPI mode (as applicable).
<b>ASBA Form</b>	An application form, whether physical or electronic, used by ASBA Applicants to submit Application through the ASBA process, which will be considered as the application for the Allotment in terms of this Draft Red Herring Prospectus.
<b>Banker(s) to the Issue/ Refund Bank</b>	Collectively, the Escrow Collection Bank (s), Refund Bank(s), Public Issue Account Bank(s) and the Sponsor Bank.
<b>Basis of Allotment</b>	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Issue Procedure” beginning on page 311 of this Draft Red Herring Prospectus.
<b>Broker Centers</b>	Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the name and contact details of the Registered Brokers, are available on the website of the NSE Limited on the following link <a href="http://www.nseindia.com">www.nseindia.com</a>
<b>Business Day</b>	Monday to Friday (Except public holidays)
<b>CAN or Confirmation of Allocation Note</b>	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
<b>Collecting Depository Participant(s)/ CDP(s)</b>	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, as per the list available on the website of NSE, as updated from time to time ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
<b>Circular on streamlining of Public Issues/ UPI Circular</b>	Circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 amended by circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (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 and any subsequent circulars issued by SEBI in this regard.
<b>Client ID</b>	Client Identification Number maintained with one of the Depositories in relation to Demat account
<b>Controlling Branches of SCSBs</b>	Such branches of SCSBs which coordinate Applications under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
<b>Demographic Details</b>	The demographic details of the Applicants such as Applicant's address, PAN, Occupation, bank account details and UPI ID (if applicable)
<b>Depository / Depositories</b>	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL
<b>Depository Participant</b>	A Depository Participant as defined under the Depositories Act, 1996.
<b>Designated CDP Locations</b>	Such locations of the CDPs where Applicants can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
<b>Designated Date</b>	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
<b>Designated Intermediaries</b>	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
<b>Designated RTA Locations</b>	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange and updated from time to time ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
<b>Designated SCSB Branches</b>	Such branches of the SCSBs which shall collect the ASBA Forms, 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> ) and updated from time to time, and at such other website as may be prescribed by SEBI from time to time.
<b>DP ID</b>	Depository Participant's Identity Number.
<b>Designated Stock Exchange</b>	NSE- Emerge i.e. SME platform of National Stock Exchange of India Limited.
<b>Designated Market Maker</b>	Share India Securities Limited will act as the Market Maker and has agreed to receive or deliver 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 amendment to SEBI ICDR Regulations.

<b>Draft Red Herring Prospectus/DRHP</b>	This Draft Red Herring Prospectus dated January 06, 2024 filed with Stock Exchanges and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Issue, including the price at which the Equity Shares are issued and the size of the Issue, and includes any addenda or corrigenda thereto
<b>Eligible NRIs</b>	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
<b>Eligible FPIs</b>	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares issued thereby.
<b>Escrow Account</b>	The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid.
<b>Electronic Transfer of Funds</b>	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
<b>Escrow Agent</b>	[●]
<b>Escrow Collection Bank</b>	The Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
<b>First/ Sole Applicant</b>	The Applicant whose name appears first in the Application Form or Revision Form and in case of a joint Application and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
<b>Fresh Issue</b>	Fresh Issue up to 69,79,200 Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of [●] per Equity Share) aggregating to ₹ [●].
<b>Floor Price</b>	The lower end of the price band [●] subject to any revision(s) thereto, at or above which the issue Price and the Anchor Investor Price will be finalized and below which no bids, will be accepted and which shall not be less than the face value of the Equity Shares
<b>General Information Document/ GID</b>	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 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the website of the Stock Exchange and Book Running Lead Manager.
<b>Gross proceeds</b>	The total Issue proceeds to be raised pursuant to the Issue.
<b>General Corporate Purposes</b>	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 issue 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.



<b>Issue Size/ Issue</b>	The issuance of up to 69,79,200 Equity Shares at ₹ [●] per Equity Share (including a share premium of [●] per Equity Share) aggregating up to [●] lakhs by our Company.
<b>Issue Agreement</b>	The agreement dated December 20, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
<b>Issue Opening Date</b>	The date on which Issue opens for subscription.
<b>Issue Closing Date</b>	The date on which Issue closes for subscription.
<b>Issue Period</b>	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application.
<b>Issue Price</b>	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus which will be decided by our Company in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which will be decided by our Company in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus.
<b>Issue Proceeds</b>	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page 79.
<b>LM / Lead Manager</b>	The lead manager to the Issue, being Share India Capital Services Private Limited.
<b>Listing Agreement</b>	Unless the context specifies otherwise, this means the Equity Listing Agreement signed between our Company and the National Stock Exchange of India Limited.
<b>Lot Size</b>	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
<b>Market Maker</b>	Market Makers of the Company, in this case being Share India Securities Limited who has agreed to receive or deliver the specified securities in the market making process for a period of 3 (three) years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
<b>Market Making Agreement</b>	The Agreement among the Market Maker, the Lead Manager and our Company dated December 20, 2023.
<b>Market Maker Reservation Portion</b>	The Reserved portion of 7,31,200 Equity shares of ₹ 10/- each at an Issue Price of ₹ [●] aggregating to ₹ [●] for Designated Market Maker in the Public Issue of our Company.
<b>Mutual Fund(s)</b>	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
<b>Net Proceeds</b>	The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled — “ <i>Objects of the Issue</i> ” beginning on page 79 of this Draft Red Herring Prospectus

<b>Non-Institutional Applicants/ Investors</b>	All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000.
<b>Non-Resident/ NR</b>	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs.
<b>Prospectus</b>	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
<b>Public Issue Account</b>	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
<b>Public Issue Account Bank</b>	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Application Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [●].
<b>Qualified Institutional Buyers / QIBs</b>	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
<b>Registered Brokers</b>	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the member of the Syndicate
<b>Registrar to the Issue/ RTA/ Registrar Agreement</b>	The registrar agreement December 20, 2023 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
<b>Registrar to the Issue / Registrar</b>	Registrar to the Issue being Purva Share Registry Private Limited.
<b>Retail Individual Investors</b>	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
<b>Revision Form</b>	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous RevisionForm(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
<b>SCSB/ Self-certified syndicate Banks</b>	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> , or such other website as may be prescribed by SEBI from time to time Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for



	applying in public issues using UPI Mechanism is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> , as updated from time to time
<b>Sponsor Bank</b>	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●].
<b>Underwriter</b>	Underwriter to this Issue is Share India Capital Services Private Limited.
<b>Underwriting Agreement</b>	The agreement dated December 20, 2023 entered into between Share India Capital Services Private Limited and our Company.
<b>Unified Payments Interface or UPI</b>	Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a persons' bank account.
<b>UPI</b>	Unified Payments Interface.
<b>Wilful Defaulter</b>	A Company or person categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
<b>Working Days</b>	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of the Issue Price; and (b) Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (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 the circulars issued by SEBI, including the UPI Circulars.

#### Conventional Terms / General Terms / Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
Authorised Dealers	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year

<b>BRLM</b>	Book Running Lead Manager
<b>BIFR</b>	Board for Industrial and Financial Reconstruction
<b>CAGR</b>	Compounded Annual Growth Rate
<b>CDSL</b>	Central Depository Services (India) Limited
<b>CFO</b>	Chief Financial Officer
<b>CIN</b>	Corporate Identification Number
<b>CIT</b>	Commissioner of Income Tax
<b>CLRA</b>	Contract Labour (Regulation and Abolition) Act, 1970.
<b>Companies Act</b>	Companies Act, 1956 and / or the Companies Act, 2013 as applicable
<b>Companies Act 1956</b>	Companies Act, 1956, and the rules there under (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
<b>Companies Act 2013</b>	Companies Act, 2013, read with the rules, regulations, clarifications and modifications there under.
<b>CSR</b>	Corporate Social Responsibility
<b>Depository(ies)</b>	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
<b>DIN</b>	Director Identification Number
<b>DIPP</b>	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
<b>DP ID</b>	Depository Participant's Identity Number
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortization
<b>ECS</b>	Electronic Clearing System
<b>EPS</b>	Earning Per Share
<b>EGM/ EoGM</b>	Extraordinary General Meeting
<b>EPF Act</b>	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
<b>ESI Act</b>	Employees' State Insurance Act, 1948
<b>FDI</b>	Foreign Direct Investment
<b>FEMA</b>	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
<b>FEMA Regulations</b>	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 duly amended.
<b>FY / Fiscal/Financial Year</b>	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
<b>FPIs</b>	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
<b>GAAR</b>	General Anti-Avoidance Rules
<b>GDP</b>	Gross Domestic Product
<b>GoI/Government</b>	Government of India
<b>HUF</b>	Hindu Undivided Family
<b>ICAI</b>	Institute of Chartered Accountants of India
<b>IFRS</b>	International Financial Reporting Standards





<b>IFSC</b>	Indian Financial System Code
<b>I.T. Act</b>	Income Tax Act, 1961, as amended from time to time
<b>Ind AS</b>	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
<b>Ind AS Rules</b>	Companies (Indian Accounting Standards) Rules, 2015, as amended
<b>India</b>	Republic of India
<b>Indian GAAP</b>	Generally Accepted Accounting Principles in India
<b>INR or Rs. or ₹ Indian Rupees</b>	Indian Rupee, the official currency of the Republic of India.
<b>ICSI</b>	Institute of Company Secretaries of India
<b>IPO</b>	Initial Public Offer
<b>IRDAI</b>	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
<b>IRR</b>	Internal Rate of Return
<b>IST</b>	Indian Standard Time
<b>Insolvency Code</b>	Insolvency and Bankruptcy Code, 2016
<b>ISIN</b>	International Securities Identification Number
<b>IT</b>	Information Technology
<b>KPI</b>	Key performance indicator
<b>Lacs</b>	Lakhs
<b>MCA</b>	Ministry of Corporate Affairs
<b>Mn/mn</b>	Million
<b>Merchant Banker</b>	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
<b>MoF</b>	Ministry of Finance, Government of India
<b>MOU</b>	Memorandum of Understanding
<b>Mutual Funds</b>	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
<b>NA</b>	Not Applicable
<b>NACH</b>	National Automated Clearing House
<b>NAV</b>	Net Asset Value
<b>NECS</b>	National Electronic Clearing Services
<b>NEFT</b>	National Electronic Fund Transfer
<b>NSDL</b>	National Securities Depository Limited
<b>NSE</b>	National Stock Exchange of India Limited
<b>OCB</b>	Overseas Corporate Bodies
<b>p.a.</b>	per annum
<b>P/E Ratio</b>	Price/Earnings Ratio
<b>PAC</b>	Persons Acting in Concert
<b>PAN</b>	Permanent Account Number
<b>PAT</b>	Profit After Tax
<b>Payment of Bonus Act</b>	Payment of Bonus Act, 1965
<b>Payment of Gratuity Act</b>	Payment of Gratuity Act, 1972
<b>RBI</b>	The Reserve Bank of India
<b>RTI</b>	Right to Information, in terms of the Right to Information Act, 2005
<b>SCRA</b>	Securities Contract (Regulation) Act, 1956, as amended from time to time
<b>SCRR</b>	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.



<b>Sec.</b>	Section
<b>STT</b>	Securities Transaction Tax
<b>US/United States/USA</b>	United States of America
<b>USD/ US\$/ \$</b>	United States Dollar, the official currency of the United States of America
<b>US GAAP</b>	Generally Accepted Accounting Principles in the United States of America
<b>VAT</b>	Value Added Tax
<b>VCF / Venture Capital Fund</b>	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
<b>w.e.f</b>	With effect from
<b>Year/Calendar Year</b>	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

### Industry Related Terms

<b>Term</b>	<b>Description</b>
<b>AE</b>	Advanced Economies
<b>GDP</b>	Gross Domestic Product
<b>AAI</b>	Airport Authority of India
<b>BOQ</b>	Bill of Quantities
<b>CAD</b>	Current Account Deficit
<b>CDP</b>	Collecting Depository Participant
<b>GDP</b>	Gross Domestic Product
<b>IMF</b>	International Monetary Fund
<b>MSME</b>	Micro, Small, and Medium Enterprises
<b>MoSPI</b>	Ministry of Statistics and Programme Implementation
<b>ECLGS</b>	Emergency Credit Linked Guarantee Scheme
<b>Capex</b>	Capital Expenditure
<b>PLI</b>	Production-Linked Incentive
<b>NSO</b>	National Statistical Office
<b>CPI</b>	Consumer Price Index
<b>UIDF</b>	Urban Infrastructure Development Fund
<b>CPI-C</b>	Consumer Price Index for Combined
<b>CFPI</b>	Consumer Food Price Index
<b>CMIE</b>	Centre for Monitoring Indian Economy
<b>PM-DevINE</b>	Prime Minister's Development Initiative for North-East Region
<b>GoI</b>	Government of India
<b>AAY</b>	Antodaya Ann Yojna
<b>PHH</b>	Primary Household
<b>NIP</b>	National Infrastructure Pipeline
<b>PMGKAY</b>	Pradhan Mantri Garib Kalyan Ann Yojana
<b>CAGR</b>	Compound Annual Growth Rate
<b>PPP</b>	Public-Private Partnership
<b>NHIDCL</b>	National Highways & Infrastructure Development Corporation Ltd
<b>IIT</b>	Indian Institute of Technology
<b>ATMS</b>	Advanced Traffic Management System
<b>MMLPs</b>	Multi-modal Logistics Parks



<b>NMP</b>	National Master Plan
<b>UK</b>	United Kingdom
<b>US\$</b>	United States Dollar

#### **Business Related Terms or Abbreviations**

<b>Term</b>	<b>Description</b>
<b>EPC</b>	Engineering Procurement and Construction
<b>NHAI</b>	National Highway Authority of India
<b>RFP</b>	Request for Proposal
<b>BOQ</b>	Bill of Quantities
<b>MoCA</b>	Ministry of Civil Aviation
<b>GAD</b>	General Arrangement Drawing
<b>PWD</b>	Public Works Department
<b>NH</b>	National Highways
<b>LC</b>	Level Crossing
<b>Km</b>	Kilometres
<b>ROB</b>	Road Over Bridges

Notwithstanding the foregoing, terms in “*Main Provision of Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industry Regulations and Policies*”, “*Financial Statement*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 357,97,100,137,190, 281, and 311 respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

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## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements, as Restated’ beginning on page 190 this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. 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 this Draft 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 and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements, as Restated’ beginning on page 190 of this Draft Red Herring Prospectus.

### Currency and units of presentation

In this Draft Red Herring Prospectus, references to “Rupees” or “INR” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America. All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten millions’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified. The meaningful interpretation of the data depends on the reader's familiarity with data compilation methodologies. In our industry, there are no standard data gathering methods, and methodologies may vary among different sources.



## FORWARD LOOKING STATEMENTS

*All statements contained in the Draft Red Herring Prospectus that are not statements of historical facts constitute 'forward-looking statements'. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.*

*These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely 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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:*

- Inability to comply with and changes in, safety, health, environmental and labour laws and other applicable regulations;
- Exposure to regulatory and other geographic specific risks such as weather and natural occurrences as well as regulatory, economic, demographic and other changes in Tamil Nadu;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Our business currently is primarily dependent on projects in India undertaken or awarded by governmental authorities and other entities funded by the GoI or state governments and we derive majority of our revenues from contracts with a limited number of government entities. Any adverse changes in the central or state government policies may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have a material effect on our business and results of operations;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- We derive majority of our revenue from constructions and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts are terminated.
- Our projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect our business, financial condition results of operations, and prospects.

For a further discussion of factors that could cause our actual results to differ from our estimates and expectations, please refer to the chapters titled 'Risk Factors', 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 26, 114 and 261, respectively.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance.



Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Neither our Company, our Directors, our Promoter, the Book Running Lead Manager, the Syndicate Members nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Share forming part of the Issue from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

*This space has been intentionally left blank*



## **SECTION II - SUMMARY OF OFFER DOCUMENTS**

### **SUMMARY OF OUR BUSINESS OVERVIEW**

Our Company was incorporated as AVP Constructions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated September 09, 2009 in Chennai. Subsequently, the name of our Company was changed to 'AVP Infracon Private Limited' and a fresh certificate of incorporation consequent upon change of the name was issued by the Registrar of Companies, Chennai dated October 06, 2023. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on October 20, 2023, and the name of our Company was changed from "AVP Infracon Private Limited" to "AVP Infracon Limited" vide a fresh Certificate of Incorporation dated November 17, 2023 having CIN U45400TN2009PLC072861 issued by the Registrar of Companies, Chennai.

We are a dynamic private sector firm involved in the construction of road projects based on Bill of Quantities (BOQ) and Engineering, Procurement, and Construction (EPC) methods. Our Company is engaged in the business of construction and transacts the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, level, decorate, fabricate, reconstruct, renovate, remodel, rebuild all types of infrastructure developmental works, constructions works such as technically complex and high value projects like Express ways, National Highways, Flyovers, Bridges and Viaducts, Irrigation Projects, Urban Development - Civic amenities, Hospitals, warehouses, hotels and other Commercial and Residential Projects.

The registered office of our company is situated at Plot No. E-30, Second Floor, Second Avenue Besant Nagar, Chennai, Tamil Nadu - 600090, India. For more information of change in registered office, kindly refer chapter titled "Our History and Certain Other Corporate Matters" beginning on page 147.

### **SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING**

#### **GLOBAL ECONOMIC OVERVIEW**

Global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. For advanced economies, the expected slowdown is from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024, amid stronger-than-expected US momentum but weaker-than-expected growth in the euro area. Emerging market and developing economies are projected to have growth modestly decline, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, with a downward revision of 0.1 percentage point in 2024, reflecting the property sector crisis in China. Forecasts for global growth over the medium term, at 3.1 percent, are at their lowest in decades, and prospects for countries to catch up to higher living standards are weak. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024. But the forecasts for 2023 and 2024 are revised up by 0.1 percentage point and 0.6 percentage point, respectively, and inflation is not expected to return to target until 2025 in most cases.

Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of prepandemic projections, especially in emerging markets and developing economies. The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its prepandemic path. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about

4.2 percent, compared with prepandemic predictions. Other emerging markets and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent.

(Source: <https://www.imf.org/-/media/Files/Publications/WEO/2023/October/English/text.ashx>)

## **INDIAN ECONOMY OVERVIEW**

According to the report by the World Bank, India was one of the fastest growing major economies in FY 2022-23 at 7.2%. India's growth rate was the second highest among G20 countries and almost twice the average for emerging market economies. This resilience was underpinned by robust domestic demand, strong public infrastructure investment and a strengthening financial sector.

Robust economic expansion during the initial quarter of the fiscal year 2023 enabled India to surpass the United Kingdom, securing its position as the fifth-largest global economy, having successfully rebounded from the adverse effects of the COVID-19 pandemic. According to the World Bank's Industrial Development Update, it is expected that the global headwinds will continue to persist and intensify due to high global interest rates, geopolitical tensions, and sluggish global demand. In this context, the World Bank forecasts India's GDP growth for FY 2023-24 to be 6.3%.

## **INDIA INFRASTRUCTURE SECTOR**

India's trajectory towards robust growth in 2023 and beyond hinges significantly on substantial advancements in crucial sectors, with a pivotal role played by the development of infrastructure. Infrastructure serves as a key facilitator in propelling India toward achieving a formidable US \$26 trillion economy. The Indian economy's main growth engine is the infrastructure sector. The Government of India (GoI) gives highest priority on its development to guarantee the country's overall development. Investments directed towards constructing and enhancing physical infrastructure, particularly in harmony with initiatives promoting the ease of conducting business, stand as a critical factor for boosting efficiency and cost-effectiveness. Prime Minister Narendra Modi has recently underscored the indispensable nature of infrastructure as a pillar for ensuring effective governance across sectors.

The government's unwavering commitment to shaping the future of infrastructure is evidenced by a series of recent initiatives. The US\$ 1.3 trillion national master plan for infrastructure, Gati Shakti, is at the forefront of ushering in systematic and effective reforms in the sector, having already made significant strides. Initiatives like the "Smart Cities Mission" and "Housing for All" have been beneficiaries of these infrastructure-focused endeavors. Saudi Arabia, in turn, aims to allocate substantial investments of up to US\$ 100 billion in India across sectors such as energy, petrochemicals, refinery, infrastructure, agriculture, minerals, and mining.

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

## **ROAD AND HIGHWAYS INFRASTRUCTURE**

The forecast for the roads and highways market in India indicates a remarkable Compound Annual Growth Rate (CAGR) of 36.16% from 2016 to 2025. This projection is attributed to the government's increasing initiatives to enhance the transportation infrastructure across the country.





Innovations and exceptional performance characterize India's highways sector. The government has successfully introduced over 60 road projects, surpassing a value of \$10 billion, employing the Hybrid Annuity Model (HAM). The HAM approach has effectively balanced risk distribution between private and public partners, fostering increased Public-Private Partnership (PPP) engagement in the sector.

The National Highways Authority of India (NHAI) has adopted asset recycling through the toll-operate-transfer (ToT) model for 100 highways. Notably, the first two bundles, each comprising nine highways, were successfully monetized, attracting investments exceeding \$2 billion.

(Source: <https://www.investindia.gov.in/sector/roads-highways> )

## NAME OF PROMOTER

Promoter of Our Company is Mr. D Prasanna and Mr. B Venkateshwarlu. For detailed information on our Promoter and Promoter's Group, please refer to Chapter titled "*Our Promoters*" on page no. 178 of this Draft Red Herring Prospectus.

## SIZE OF THE ISSUE

Our Company is proposing the public issue of up to 69,79,200 equity shares of face value of ₹ 10/- each of AVP Infracon Limited ("AVP Infracon" or the "Company" or the "Issuer") 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"), of which 7,31,200 equity shares of face value of ₹ 10/- 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 62,48,000 equity shares of face value of ₹ 10/- each at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs is herein after referred to as the "net issue". The issue and the net issue will constitute 27.94 % and 25.01%, respectively, of the post issue paid up equity share capital of our company. The face value of the equity shares is ₹ 10/- each. The price band will be decided by our company in consultation with the book running lead manager ("BRLM") and will be advertised in all editions of the English national newspaper, all editions of the Hindi national newspaper and regional language newspaper, each with wide circulation, at least 2 (two) working days prior to the bid/ issue opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the emerge platform of National Stock Exchange of India Limited ("NSE Emerge", referred to as the "Stock Exchange") for the purpose of uploading on their website for further details kindly refer to chapter titled "*Terms of the Issue*" beginning on page 301 of this Draft Red Herring Prospectus.

## OBJECT OF THE ISSUE

Particulars	Amount (₹ in) Lakhs
Gross Issue Proceeds*	[●]
Less: Public Issue Related Expenses	[●]
<b>Net Issue Proceeds</b>	<b>[●]</b>

\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

## UTILIZATION OF NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Issue Proceeds
1.	To Capital Expenditures	1,500.00	[•]
2.	To Meet Working Capital Requirements	3,500.00	[•]
3.	General corporate purposes	[•]	[•]
<b>Net Issue Proceeds</b>		[•]	[•]

## SHAREHOLDING

The shareholding pattern of our Promoter and Promoter's Group before the Issue is as under:

Sr. No.	Name of Shareholders	Pre- Issue		Post Issue	
		No. of equity shares	As a % of Issued Capital	No. of equity shares	As a % of Issued Capital
Promoters					
1	D Prasanna	83,62,493	46.46%	83,62,493	33.48%
2	B Venkateshwarlu	57,00,000	31.67%	57,00,000	22.82%
Total- A		1,40,62,493	78.12%	1,40,62,493	56.30%
Promoter Group					
3	Gowri Manohari D	4,17,007	2.32%	4,17,007	1.67%
4	D Vasanth	3,75,000	2.08%	3,75,000	1.50%
5	Bhagyavathy D	1,87,500	1.04%	1,87,500	0.75%
6	Vasumathi Chokkarapu	5,28,000	2.93%	5,28,000	2.11%
Total- B		15,07,507	8.38%	15,07,507	6.04%
Public					
7	Aparna Samir Thakker	11,97,000	6.65%	11,97,000	4.79%
8	Mukesh Purushottam Chamedia	11,97,000	6.65%	11,97,000	4.79%
9	P Savitha	36,000	0.20%	36,000	0.14%
10	IPO	-	0.00%	69,79,200	27.94%
Total- C		24,30,000	13.50%	94,09,200	37.67%
Grand Total (A+B+C)		1,80,00,000	100.00%	2,49,79,200	100.00%

## FINANCIAL DETAILS

Based on Restated Consolidated Financial Statements

(₹ in Lakhs)

Sr. No.	Particulars	For the period ended	For the year ended
		October 31, 2023	March 31, 2023
1.	Share Capital	1,800.00	480.00
2.	Net worth	3,405.31	2,549.66
3.	Revenue from operations	7,405.33	11,498.08
4.	Profit After Tax	855.78	1,205.31
5.	Earnings Per Share – Basic & Diluted (Post Bonus)	4.75	6.70
		4.75	6.70

Sr. No.	Particulars	For the period ended	For the year ended
		October 31, 2023	March 31, 2023
6.	NAV per Equity Shares (Post Bonus)	18.92	14.16
7.	Total Borrowings (As per Balance Sheet) (Including Current Maturity of Long-Term Debt)	7,791.95	6,729.31

#### Based on Restated Standalone Financial Statements

(₹ in Lakhs)

Sr. No.	Particulars	For the period ended	For the year ended		
		October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	1,800.00	480.00	480.00	100.00
2.	Net worth	3,330.28	2,496.14	1,343.50	684.07
3.	Revenue from operations	6,918.69	10,633.56	6,388.85	5,799.76
4.	Profit After Tax	834.27	1,152.63	399.43	226.30
5.	Earnings Per Share – Basic & Diluted (Post Bonus)	4.63	6.40	2.22	1.26
		4.63	6.40	2.22	1.26
6.	NAV per Equity Shares (Post Bonus)	18.50	13.87	7.46	3.80
7.	Total Borrowings (As per Balance Sheet) (Including Current Maturity of Long-Term Debt)	6,514.81	5,485.29	3,167.50	2,699.36

#### AUDITORS' QUALIFICATIONS

There is no Auditor qualification which have not been given effect to in the Restated Financial Statements.

#### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

There are no pending Litigation against our Company nor against our Promoter or Directors of the company except mentioned below:

Name	By/ Against	Criminal Proceedings	Civil Proceedings	Tax Proceedings	Actions by regulatory authorities	Aggregate amount involved (₹ in Lakhs)
Company	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Directors	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Promoter	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
	By	Nil	Nil	Nil	Nil	Nil

Name	By/ Against	Criminal Proceedings	Civil Proceedings	Tax Proceedings	Actions by regulatory authorities	Aggregate amount involved (₹ in Lakhs)
<b>Group Companies/ Entities</b>	Against	Nil	Nil	Nil	Nil	Nil
<b>Directors other than promoters</b>	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil

## RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. Specific attention of the investors is invited to the section titled “*Risk Factors*” beginning on page 26 of this Draft Red Herring Prospectus.

## CONTINGENT LIABILITIES

As on the date of filing this Draft Red Herring Prospectus there is no contingent liability on the Company.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group or our Directors and their relatives (as defined in the Companies Act, 2013) have financed the purchase by any other person of securities of our Company (other than in the normal course of business of the financing entity) during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

## COST OF ACQUISITION & WEIGHTED AVERAGE COST

Weighted average price at which the Equity Shares were acquired by our Promoter in Last One Year:

Sr. No.	Name of Promoter	No. of Equity Shares acquired	Average Cost of Acquisition per equity share (in ₹) *#
1.	Mr. D Prasanna	61,32,495	Nil
2.	Mr. B Venkateshwarlu	41,80,000	Nil

## AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTER:

Sr. No.	Name of Promoter	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹) *#
1.	Mr. D Prasanna	83,62,493	2.33
2.	Mr. B Venkateshwarlu	57,00,000	2.37

\*The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them.

#Based on Certificate dated December 22, 2023 from Statutory Auditors of the company M/s. P P N and Company, Chartered Accountants vide UDIN: 23238452BGXEED7850.

## PRE-IPO PLACEMENT

Our Company has not allotted shares under Pre-IPO Placement.

## ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

The details of allotment of 1,32,00,000 Bonus Equity Shares made on November 02, 2023 in ratio of 11:4 i.e. 11 (Eleven) fully paid-up Equity Shares for every 4 (Four) Equity Shares held on November 01, 2023, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	D Prasanna	61,32,495	10	NIL
2.	B Venkateshwarlu	41,80,000		
3.	Gowri Manohari D	305,805		
4.	Vasanth D	2,75,000		
5.	Chokkarapu Vasumathi	3,87,200		
6.	D Bhagyavathy	1,37,500		
7.	Aparna Samir Thakker	8,77,800		
8.	Mukesh Purushottam Chamedia	8,77,800		
9.	P Savitha	26,400		
<b>Total</b>		<b>1,32,00,000</b>	<b>10</b>	<b>NIL</b>

For further information, please refer to Chapter titled “Capital Structure” on page no. 66 of this Draft Red Herring Prospectus.

## SPLIT / CONSOLIDATION

No Split or Consolidation was happened during the last one year.

## RELATED PARTY TRANSACTIONS

### Related Parties

Related Parties	Nature of Relationship
D Prasanna	Director/ KMP
Vasanth D	Director/ KMP

B Venkateshwarlu	Director/ KMP
AVP RMC	Entities in which KMP/ Relatives of KMP can exercise significant influence
AVP Associates	
AVP SRR Readymix Concretes LLP*	

\* AVP SRR Readymix Concretes LLP has applied for strike off on 28-12-2021 vide SRN:M25285347 and the present status as per MCA is under process of striking off.

**Related Party Transaction during the year:**

(₹ in Lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Remuneration paid to Directors</b>				
D Prasanna	21.50	25.00	10.80	10.80
B Venkateshwarlu	21.50	25.00	10.80	10.80
Vasanth D	2.90	-	-	-
<b>Total</b>	<b>45.90</b>	<b>50.00</b>	<b>21.60</b>	<b>21.60</b>
<b>Sale with related parties</b>				
AVP RMC	60.80	175.40	157.20	56.31
AVP Associates	-	-	-	-
AVP SRR Readymix Concretes LLP*	-	-	-	-
<b>Total</b>	<b>60.80</b>	<b>175.40</b>	<b>157.20</b>	<b>56.31</b>
<b>Purchase</b>				
AVP RMC	367.95	1,005.58	901.39	621.98
AVP Associates	-	-	-	-
AVP SRR Readymix Concretes LLP*	-	-	-	-
<b>Total</b>	<b>367.95</b>	<b>1,005.58</b>	<b>901.39</b>	<b>621.98</b>
<b>Outstanding as on 31st</b>				
<b>Payable to</b>				
AVP RMC	267.07	327.59	83.51	123.81
<b>Total</b>	<b>267.07</b>	<b>327.59</b>	<b>83.51</b>	<b>123.81</b>
<b>Receivable From</b>				
AVP SRR Readymix Concretes LLP*	-	-	0.43	0.43
AVP Associates	23.75	23.75	23.75	20.20
<b>Total</b>	<b>23.75</b>	<b>23.75</b>	<b>24.18</b>	<b>20.63</b>
<b>Loans from Director</b>				
D Prasanna	1,575.27	1,400.48	365.84	180.60
B Venkateshwarlu	127.62	124.73	10.75	-
Vasanth D	2.03	-	-	-
<b>Total</b>	<b>1,704.92</b>	<b>1,525.21</b>	<b>376.59</b>	<b>180.60</b>

\*AVP SRR Readymix Concretes LLP has applied for strike off on 28-12-2021 vide SRN:M25285347 and the present status as per MCA is under process of striking off.

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### SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision prospective investor must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

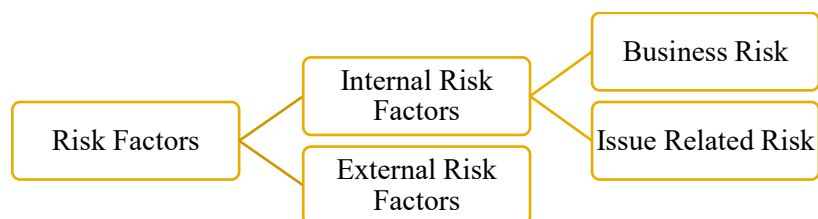
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 114, “Industry Overview” beginning on page 100 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 261 respectively, as well as other financial information contained herein.*

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

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

*The financial and other related implications of the risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian Accounting Standards, as restated in this Draft Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 2. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*The risk factors are classified as under for the sake of better clarity and increased understanding:*





## INTERNAL RISK FACTORS

- 1. Our entire revenue stream is derived from activities within the state of Tamil Nadu. Any unfavorable developments that may impact our operations in this region could have negative consequences on our business, financial health, and operational results.***

The entirety of our revenue is sourced from the State of Tamil Nadu. The concentrated geographical focus of our business in this region increases our vulnerability to unfavorable developments such as heightened competition, economic shifts, and demographic changes. These factors could potentially have adverse effects on our business prospects, financial well-being, and operational outcomes. Furthermore, there may be limitations in our ability to apply the knowledge gained from operating in these regions to successfully expand our operations into other parts of India.

Our business focus in Tamil Nadu exposes us to several risks, encompassing, but not restricted to:

- Potential decline in construction activities at the regional level in Tamil Nadu.
- Susceptibility to alterations in policies, laws, regulations, or the political and economic landscape of Tamil Nadu.
- Limitations on our capacity to diversify operations across different states.
- The perception among potential clients that we are primarily a regional construction company, potentially impeding our ability to compete for or secure orders for large and intricate projects on a national scale.

Moreover, factors such as competition, cultural distinctions, regulatory frameworks, business norms, and local behaviors and preferences in potential expansion cities may differ significantly from Tamil Nadu. Our experience in Tamil Nadu may not necessarily be transferable to these new states. Additionally, as we venture into unfamiliar markets and regions, we are likely to encounter competition not only from national entities but also from local players with established presence, extensive knowledge of local regulations, business norms, and customs, as well as stronger relationships with local contractors, suppliers, relevant government authorities. These competitors may also possess existing market foothold or enjoy a more robust financial standing, granting them a competitive edge. The inability to successfully expand beyond the Tamil Nadu market could have adverse effects on our business prospects, financial health, and operational outcomes.

- 2. We lack ownership of the registered office used by our company. Any interference with our entitlements as the licensee/lessee or the cancellation of contracts with our licensors/lessors could have a negative effect on our activities and, as a result, our overall business.***

Our registered office is located at the Plot No E-30, IInd floor, IInd Avenue, Besant Nagar, Chennai, Tamil Nadu- 600090. We do not own this office; instead, we have leased it for 11 months starting from May 16, 2023, and ending on March 16, 2024. However, we cannot guarantee that we will be able to renew this lease on terms that are commercially acceptable or favorable in the future. For more information, please refer to the "Our Business" section on page 114 of this Draft Red Herring Prospectus.

In the event that we are required to vacate any of our current rented premises, we would need to find new offices and infrastructure. There is no assurance that these new arrangements will be on



commercially acceptable or favorable terms. If we are compelled to relocate our business operations during this period, it may lead to a disruption in our operations or require us to incur higher costs. This could negatively impact our business, prospects, financial results, and overall financial condition.

**3. *Our business demands substantial working capital, and any delays in securing the necessary funds could negatively affect our financial performance.***

Our company operates in the infrastructure sector, and a significant portion of our current assets does not qualify for bank financing. To secure projects, the company must furnish performance bank guarantees, necessitating the provision of a cash margin. Additionally, clients retain a percentage of the contract value as Retention Money upon project completion. There is high inventory and other current assets days in our company. All these factors contribute to a substantial need for working capital.

The last three years' working capital requirement of the company is as given below: -

*Amount in ₹ lakhs*

Particulars	Restated			
	31-03-21	31-03-22	31-03-23	31-10-2023
<b>Current Assets</b>	3,543.35	4,231.45	9,410.37	11,129.51
<b>Current Liabilities</b>	2,642.01	2,844.55	6,822.90	7,971.39
<b>Working Capital</b>	<b>901.34</b>	<b>1,386.90</b>	<b>2,587.47</b>	<b>3,158.12</b>

**4. *Our Company has reported negative cash flows from its operating, investing, and financing activities. Any operating losses or negative cash flows in the future could adversely affect our results of our operations and financial condition.***

Our Standalone cash flows from operating activities, investing activities and financing activities for the period ended October 31, 2023 and the financial year ended March 31 2023, 2022 and 2021 are set forth below:

*Amount in ₹ lakhs*

Particulars	For the period ended Oct 31, 2023	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
<b>Cash flow from operating activities</b>	(490.63)	(869.79)	139.27	(130.50)
<b>Cash Flow from investing activities</b>	(788.90)	(727.59)	(583.08)	(1,168.49)
<b>Cash Flow from financing activities</b>	710.48	1,946.01	419.09	1,336.90
<b>Net Increase / ( Decrease ) in cash and cash equivalents</b>	(569.05)	348.63	(24.72)	37.91

We cannot assure you that we will not have negative cash flows in the future. This could have a negative effect on our capacity to cover day-to-day operational expenses, settle loans without obtaining funds from external sources. If we cannot generate enough cash flows, it may harm our business and financial activities.

**5. *Our company's main source of revenue comes from projects in India that are initiated or approved by government authorities and other organizations funded by the Government of India (GoI) or***



***state governments. The majority of our income comes from agreements with a small number of government entities. If there are unfavorable changes in the policies of the central or state government, it could result in the closure, termination, restructuring, or renegotiation of our contracts, potentially impacting our business and financial performance significantly.***

We currently derive majority of our revenue from contracts with the Government of Tamil Nadu. The bulk of our Order Book comes from larger contracts with a few key customers, making our results more susceptible to fluctuations and individual contract risks. This concentration on a handful of projects or clients could negatively impact our operational outcomes and potentially lead to a significant decrease in contract awards. If we fail to meet expected profit margins or incur losses on these substantial contracts, it could adversely affect our business. Moreover, there is no guarantee that the Government of India (GoI) or state governments will continue prioritizing infrastructure or related sectors. Any unfavorable shifts in budget allocations for infrastructure development, a decline in available work, or changes in government policies may negatively impact our business and financial performance.

Contracts with government entities are subject to extensive internal processes, policy changes, budgetary constraints, funding inadequacies, and political pressures. These factors may result in fewer contracts available for bidding, increased time gaps between bid invitations and contract awards, or renegotiation of contract terms, causing delays in our business operations. While such events have not occurred in the past, our business is heavily reliant on projects awarded by government entities.

In cases where our bids are successful, there may be delays in the award of projects or notification of appointed dates. This could force us to retain unallocated resources, adversely affecting our financial condition and operational results. Adverse changes in GoI or state government policies may lead to the foreclosure or termination of our contracts. Additionally, we may face restrictions on selling interests to third parties, entering contracts with specific customers, or assigning our contract rights or obligations. While these events have not occurred in the past, these restrictions could limit our operational flexibility, thereby adversely impacting our business, prospects, results of operations, cash flows, and financial condition.

***6. Our business, growth prospects and financial performance largely depends on our ability to obtain new contracts, and there is no assurance that we will be able to procure new contracts.***

We actively participate in the competitive bidding process for various projects on an ongoing basis, with a focus on infrastructure projects. The Government of Tamil Nadu typically awards infrastructure projects through a competitive bidding process, contingent upon meeting specified qualification criteria. It is noteworthy that in the past, our bids for infrastructure projects have encountered rejection, either due to the favorable standing of our competitors.

It is important to acknowledge that there is no guarantee of our ability to fulfill these criteria in the future, whether independently or in collaboration with joint venture partners. Furthermore, we cannot provide assurance that we will choose to bid on projects for which we are qualified, or that our submitted bids, whether pending or already submitted, will be accepted.

In case we face challenges in securing new contracts, it will have a significant and adverse impact on our business.



- 7. Infrastructure projects are generally assigned to our organization upon fulfillment of specified pre-qualification prerequisites and subsequent engagement in a competitive tendering procedure. Any failure to secure new infrastructure projects or premature termination of contracts awarded to us could potentially have adverse repercussions on both our business operations and financial standing.***

Infrastructure projects are typically conferred upon our organization through a rigorous competitive bidding process, contingent upon meeting stipulated technical and financial pre-qualification criteria. Although factors such as a proven track record, project execution expertise, service quality, safety records, qualified personnel, reputation, and financial adequacy play pivotal roles in contract allocation, there exists no guarantee that we will successfully meet these technical and financial qualification criteria, either independently or in collaboration with joint venture partners. Furthermore, after fulfilling the pre-qualification requirements, projects are commonly awarded based on the price competitiveness of the submitted bid. The preparation and submission of bids entail incurring one-time, non-reimbursable costs. Despite being pre-qualified, we cannot ensure our participation in the bidding process, nor can we guarantee that our bids, whether already submitted or to be submitted, will secure the awarding of projects to our organization.

In case we encounter challenges in independently meeting the pre-qualification criteria necessary for participating in substantial construction and development projects, collaboration with third parties may become imperative for joint bidding endeavors. The pursuit of acceptable joint venture partners, however, may expose us to competition from other entities in a similar position seeking partners for pre-qualification requirements. In instances where we are unable to secure partnerships with suitable companies or lack the requisite credentials to be the preferred partner for other firms, the consequence may be the forfeiture of opportunities to bid for sizable infrastructure projects, potentially impeding our growth plans. Additionally, when participating in consortium-based bids, we face the risk of bid insecurity arising from the negligence or disqualification of our joint venture partners, factors beyond our control. In the event that a joint venture partner fails to fulfill its obligations satisfactorily, we may be compelled to incur supplementary expenditures to ensure the adequate performance and delivery of contracted services or make payments on behalf of the joint venture partners. Such circumstances have the potential to adversely impact the profitability of the contract.

- 8. Our projects face various implementation and other uncertainties, such as the risks of exceeding planned time and cost, which could have negative effects on our business, financial health, operational results, and overall prospects.***

The construction or development of our projects comes with diverse implementation risks, encompassing construction delays, interruptions in the supply of raw materials, setbacks in land acquisition by our project clients, unforeseen cost escalations, force majeure events, cost overruns, disputes with joint venture partners, delays in obtaining necessary licenses by our project clients, or encountering delays in making advance payments. Additionally, we may face regulatory risks, financing risks, and the potential that these projects might ultimately turn out to be unprofitable.

Although our contracts consistently incorporate escalation clauses to address any additional costs we might face, there's a possibility of encountering cost overruns or even losses in these projects due to unforeseen increases in expenses that may not fall within the coverage of these escalation clauses. Even with escalation clauses present in certain construction contracts, our government clients might interpret their applicability in their favor, posing challenges for us in enforcing these clauses to recover the costs incurred in line with the underlying contract. We may be exposed to the risks linked

to actual construction costs exceeding the initially agreed-upon scope of the work.

There has not been any instance in the past but it may happen that the incremental costs incurred by our Company may not be considered by our project clients despite the escalation clause of the contracts executed by them. Due to this, the company may initiate legal proceedings.

***9. Our company utilizes several credit facilities provided by the bank, and in accordance with the sanctioned terms, certain restrictive covenants are imposed on our company. If we are unable to obtain approval, it might restrict our scope of activities and obstruct our growth plans.***

We have entered into agreements for availing debt facilities from lender(s). Certain covenants in these agreements require us to obtain approval/permission from our lender(s) in certain conditions. In the event of default or the breach of certain covenants, our lender(s) have the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. In the event we breach any financial or other covenants contained in certain 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.

Further, as on the date of the Draft Red Herring Prospectus, we have received No Objection certificate from lender(s).

***10. Our lenders have charge over our movable properties in respect of finance availed by us.***

*As on October 31, 2023, based on restated standalone financial statements, we have secured outstanding debt of ₹ 4,809.88 lakhs as on October 31, 2023 and we have secured our lenders by creating charge over our movable properties. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders. For further information on the financing and loan agreements along with the total amounts outstanding, please refer to section titled “Financial Statements”, Financial Indebtedness” and “Our Business” on page 190, 274 & 114 of this Draft Red Herring Prospectus.*

***11. As an integral aspect of our business operations, it is necessary for us to provide bank guarantees. Failing to secure these guarantees or the activation of such guarantees has the potential to negatively impact our cash flows and financial standing.***

In alignment with industry norms, our operational framework necessitates the provision of financial and performance bank guarantees in fulfillment of contractual obligations for our projects. Typically, these guarantees are issued to the pertinent authorities with whom contractual arrangements for our projects have been established. However, a potential challenge lies in consistently securing new financial and performance bank guarantees in quantities commensurate with our operational requirements. Difficulties in providing sufficient collateral to underpin these guarantees or letters of credit may impede our capacity to enter into new contracts and procure essential supplies. Such limitations could lead to a material adverse impact on our business, operational outcomes, and financial standing.

Moreover, the procedural intricacies associated with acquiring letters of credit, as well as financial



and performance bank guarantees, have a tendency to augment our working capital needs. The occurrence of unforeseen circumstances may render us incapable of meeting any or all our contractual obligations pertaining to ongoing projects, potentially leading to defaults under our contracts and subsequent invocation of the bank guarantees issued by us. In the event of such an invocation, there exists the potential for a substantial adverse impact on our business and financial standing.

***12. Projects executed in collaboration through joint ventures may experience delays due to the performance of the joint venture partner. Additionally, substantial losses incurred from the joint venture have the potential to adversely impact our business, operational outcomes, and financial standing.***

While the majority of our projects are undertaken independently, we also establish project-specific joint ventures and consortiums with entities in the infrastructure and construction sector. This strategy is particularly employed when projects necessitate specific eligibility criteria, such as particular experience and expertise. In such instances, we bid for projects through joint venture entities to meet the eligibility requirements.

The successful completion of these contracts is contingent upon the performance of our joint venture partner(s). Should our joint venture partner fail to fulfill its contractual obligations, it may result in a breach of the terms of the jointly awarded contract. Consequences may include the imposition of penalties and/or liquidated damages, or the client invoking our performance guarantees. Given that joint venture partners typically share joint and several liability, our liability extends to completing the entire project in the event of our partner's non-performance.

Failure to adequately mitigate risks associated with these scenarios could expose us to costs and potentially result in significant losses, adversely impacting our business, operational results, and financial standing. In the event of unforeseen circumstances leading to the incapacity of a joint venture partner to continue a project, we may bear additional responsibilities for project completion and assume a correspondingly larger share of the financial risk.

***13. The success and financial viability of our enterprise are markedly contingent on the performance and prevailing conditions within the construction and infrastructure sector, both at a nationwide level in India and, more specifically, within the Tamil Nadu Region. As a result, we are subject to inherent risks stemming from economic fluctuations, regulatory alterations, and other dynamic changes, alongside the potential impact of natural disasters in the region. These factors collectively pose a potential threat to our business stability, operational outcomes, cash flows, and overall financial health.***


As of October 31, 2023, we do not have any ongoing project outside the geographical area of Tamil Nadu. For further information on our projects, see ***“Our Business”*** on page 114 of this draft Prospectus. Consequently, the performance and prevailing conditions within the construction and infrastructure industry in the region exert a profound influence on our business, financial health, and operational outcomes. The dynamics of this industry are subject to numerous external factors beyond our direct control, including local economic conditions, fluctuations in governmental regulations, employment and income levels, and interest rates, among other variables. The impact of these factors has the potential to adversely affect our business stability, financial condition, and operational results.





Moreover, the execution of infrastructure projects entails a significant time investment. The pricing strategy for project bids and the subsequent cost of execution are inherently influenced by the aforementioned external factors, which lie outside our sphere of control. If circumstances necessitate the execution of ongoing or upcoming projects at costs higher than initially estimated, it could further exert adverse effects on our business, financial condition, and operational results.

***14. Currently, we do not possess ownership of the trademark or logo by which our operations are presently identified. In the event of third-party infringement on the trademark, logo, or intellectual property we utilize, it could have an adverse impact on our business and reputation.***

Our Company has made an application for registration of trademark  and ‘AVP CONSTRUCTIONS’ under Class 37. For further details, please see “***Government and Other Statutory Approvals***” beginning on page 285 of this Draft Red Herring Prospectus.

Regarding our applied-for trademarks, we cannot guarantee the successful resolution of objections or opposition, if any. Consequently, preventing infringement of our trademarks may be challenging, and the protection afforded by a passing off action may be insufficient until formal registration is obtained. There is no assurance that our current or future registered and unregistered intellectual property rights, including our know-how, will effectively safeguard the intellectual property underlying our products and business. Oppositions or challenges to our rights cannot be ruled out.

While we diligently strive to adhere to intellectual property rights, the possibility of facing infringement claims from third parties remains. Any such claims, irrespective of their merit or resolution, may necessitate significant costs in responding to, defending, and settling them. This could divert management attention and resources away from our core business activities. The occurrence of any of these circumstances may result in unforeseen expenses, adversely affecting our business, prospects, reputation, profitability, financial condition, and operational results.

***15. There are certain discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies.***

In the past, there have been some instances of certain discrepancies and delays in filing statutory forms with the RoC, which have subsequently been filed along with the payment of additional fees, as specified by RoC. No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect.

***16. We are bound by a spectrum of legal statutes and regulatory frameworks, encompassing environmental, health, and safety mandates. Non-compliance with these laws or failure to secure, sustain, or renew the requisite licenses, permits, and approvals essential for our business operations may result in adverse impacts on our business, operational outcomes, and financial standing.***

We are obligated to adhere to a comprehensive array of legal statutes and regulatory frameworks, which encompass mandates related to environmental, health, and safety standards. Our compliance with these laws is imperative, and the acquisition, maintenance, and renewal of essential licenses, permits, and approvals vital to our business operations are paramount. Any lapses in compliance or





failure to secure these requisite authorizations may result in detrimental effects on our business, operational outcomes, and financial standing.

To conduct our business, we necessitate specific approvals, licenses, registrations, and permissions as mandated by various regulations, guidelines, circulars, and statutes governed by the Government of India, State Governments, and other regulatory authorities. For detailed information on material approvals related to our business and operations, please refer to "Government and Other Statutory Approvals" on page 285. Failure on our part to timely renew, maintain, or obtain required permits or approvals may lead to operational disruptions and adversely impact our business, financial condition, and operational results.

***17. There are certain discrepancies and non-compliances noticed in some of our financial reporting and/or records relating to filing or returns and deposit of statutory dues with the taxation and other statutory authorities.***

In the past, our company has at some instances, delayed in filing our GST returns, EPF returns and deposit of statutory dues, as a result of which, we have been required to pay the late filing fees along with interest on delayed deposit of due taxes and statutory dues. Although the late filing fees levied are small, if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. Further no-show cause notice has been issued against our Company till date, in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

***18. The prosperity of our business may be compromised if we do not stay abreast of technological advancements within the construction industry.***

Our recent observations suggest a trend among our clients towards the execution of larger and more technically intricate projects, incorporating advanced technologies. The future success of our endeavors hinges, in part, on our capacity to adeptly navigate technological advancements, emerging standards, and evolving industry practices in a cost-effective and expeditious manner.

To meet the evolving needs of our clientele, it is imperative that we consistently enhance our existing systems and innovate new technologies tailored for our construction projects. Moreover, the dynamic nature of technological and market demands can swiftly render current technologies and equipment obsolete, necessitating substantial capital expenditures and potentially resulting in significant asset write-downs. The financial implications of upgrading or implementing new technologies, enhancing existing equipment, or expanding capacity can be substantial. Failure to accurately anticipate and respond to the changing requirements of our clients, or falling behind in adopting the latest technological advancements, may have material and adverse effects on our business, prospects, financial condition, and operational results.

***19. We have engaged in specific transactions with related parties, and both these transactions and any prospective dealings with our related parties may present potential conflicts of interest.***

We have executed specific transactions with related parties, including our Promoter, Promoter Group, Directors, their relatives, and Group Entities, and anticipate the possibility of continuing such transactions in the future. The rationale behind engaging in these transactions has been the convenience and expediency they offer. However, it cannot be guaranteed that more favorable terms

could not have been obtained through dealings with unrelated third parties. While our company is of the belief that all related party transactions have been conducted at arm's length, we cannot provide assurance that more favorable terms could not have been secured in transactions with third parties.

It is acknowledged that our company may engage in similar transactions in the future. In such instances, there is no assurance that these transactions would not have an adverse impact on our operational results. It is important to note that going forward, all related party transactions will be subject to approval either by the board or shareholders, in accordance with the Companies Act, 2013, and the Listing Regulations. For a comprehensive overview of these transactions, please refer to “Related Party Transactions” on page 187 of the Restated Financial Statements.

***20. We have unsecured loans from directors, relatives of directors, and other individuals, which are subject to repayment on demand. The issuance of repayment demands by these lenders has the potential to adversely impact our business operations.***

As per our restated financial statements, as of October 31, 2023, we have an unsecured loan amounting to ₹ 1,704.92 lakhs from directors, with repayment terms upon demand. The potential issuance of repayment demands by these lenders carries the risk of adversely impacting both our liquidity and business operations. In case, our director seeks repayment of loan advanced by him, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. For a more detailed account of these unsecured loans, please refer to the chapter titled Financial Statements' commencing on page 190 of this Draft Red Herring Prospectus.

***21. We cannot provide a guarantee that our construction projects or work sites will be entirely free from defects.***

We are dedicated to upholding the quality of our construction projects and strictly adhere to industry standards. However, we cannot provide absolute assurance that the completion of our projects or work sites will consistently align with the specified requirements, nor can we guarantee freedom from defects. In the event of the identification of defects or faults in our work, damages to our construction due to factors beyond our control, or for any other reasons, we may be exposed to significant contractual liabilities and losses under our project contracts. Such losses have the potential to impact our financial performance and operational results significantly and adversely. Moreover, the discovery of defects or dissatisfaction among customers may lead to the cancellation of project commitments or the refund of advance payments, posing further risks to our business, financial condition, and operational results.

***22. Our business involves significant capital requirements. In the event of insufficient cash flows to fulfill essential debt obligations and meet working capital needs, there may be an adverse impact on our operational results.***

Our operational model relies significantly on ample working capital base, contingent upon specific assumptions. Any alterations to these assumptions would consequently impact our working capital requirements. A substantial portion of our working capital is earmarked for procuring or manufacturing materials, resource mobilization, and other project-related activities before realizing payments from clients. Due to the extended and intricate bidding and selection process inherent in the contracts we pursue, influenced by numerous factors, predicting the award and subsequent mobilization timeline for a specific bid is inherently challenging. This uncertainty may necessitate



incurring additional indebtedness in the future to fulfill our working capital needs.

The objectives of this issue encompass funding our company's capital expenditures and working capital requirements, grounded in management estimates and specific assumptions detailed in the 'Objects of the Issue' on page 79. These estimates and assumptions are susceptible to changes beyond our control, including force majeure events, heightened customer defaults, and the unavailability of funding from financial institutions. Consequently, these working capital requirements may not accurately reflect the actual needs of our company in the future, and investors are advised against placing undue reliance on such estimations.

Our capital expenditure demands, integral to our growth strategy, mandate consistent access to substantial amounts of capital on acceptable terms. We cannot guarantee that prevailing market conditions and other factors will facilitate future project and acquisition financings, whether through debt or equity, at terms satisfactory to us or at all. The successful arrangement of financing and its associated costs hinge on numerous factors, including general economic and capital market conditions, credit availability, the terms of existing indebtedness, investor confidence, project performance, and regulatory conditions conducive to capital raising. Our efforts to secure future financings may not succeed, may not be favorable in terms, or may not materialize at all. Additionally, our ability to raise funds, either through equity or debt, is constrained by certain legal restrictions under Indian law. If the demand for, or supply of, infrastructure financing at attractive rates or terms diminishes or ceases to exist, our business, prospects, financial condition, and operational results could be adversely affected.

***23. We may encounter challenges in effectively overseeing the expansion of our operations and implementing our growth strategies, potentially leading to adverse effects on our business, financial condition, operational results, and future prospects.***

As our business continues to expand, it becomes imperative to enhance our managerial, technical, and operational capabilities, alongside optimizing resource allocation and implementing an effective management information system. To sustain our ongoing operations and facilitate future growth, securing adequate internal liquidity and access to external financing, be it through debt or equity, is crucial. Comprehensive details on our strategies can be found in the "Our Business" beginning on page 114.

Furthermore, the expansion will necessitate the management of relationships with an increased number of clients, suppliers, contractors, service providers, lenders, and other stakeholders. Strengthening our internal control and compliance functions becomes essential to ensure adherence to legal and contractual obligations, thereby minimizing operational and compliance risks. While we strive to manage our growth and execute our strategies successfully, there remains a level of uncertainty regarding potential capital constraints, operational challenges, and difficulties in expanding existing business operations. Training an expanding workforce to manage and operate the expanded business is also a critical aspect of this growth.

Moreover, executing our growth strategies could face obstacles and delays attributed to various factors, such as the unavailability of human and capital resources, challenges in developing adequate systems, infrastructure, and technologies, delayed or non-payments by clients, ineffective implementation of bidding strategies, failure to accurately identify market trends, increases in the costs of raw materials, fuel, and labor, failure to establish and maintain alliances with joint venture partners, and non-performance by joint venture partners in meeting contractual obligations. These

challenges may result in project execution delays. The execution of our growth strategy, therefore, carries inherent uncertainties regarding timing, costs, and the ability to meet client expectations.

***24. Projects listed in our order book, as well as our prospective ventures, are susceptible to delays, alterations, or cancellations due to factors beyond our control. Such occurrences have the potential to impact our business, prospects, reputation, profitability, financial condition, and operational results significantly and adversely.***

As on October 31, 2023, we have total 14 projects including 12 on-going projects worth approximately ₹ 20,188.91 lakhs, and 2 additional projects worth approximately ₹ 3,421.34 lakhs wherein AVP Infracon Limited becomes L1, representing anticipated revenues from the unfinished segments of our ongoing projects. However, our future performance may be influenced by potential delays, modifications in project scope, or cancellations, arising from defaults by either the client or us, force majeure events, or legal impediments. Various obligations in our projects, such as land acquisition, advance payments, opening letters of credit, or relocating utilities, may face delays due to non-performance, breaches, or force majeure events. In the context of an EPC project, project delays may lead to significant additional costs, and counterparties may impose liquidated damages for failure to meet milestones or even terminate the construction contract. Resetting the completion schedule may prevent us from recognizing revenue if the required percentage of completion is not achieved within the specified timeframe.

Our projects may lack comprehensive protection against such delays, associated liabilities, and additional costs. Moreover, escalation clauses in some contracts may be subject to restrictive interpretations by counterparties, potentially leading to disputes over our claims for additional costs. Consequently, our future earnings may deviate from the amounts reflected in the order book. The unpredictable nature of changes in project scope and schedule makes it challenging to accurately predict when or if the expected revenues outlined in the order book will be realized. Additionally, even in cases where a project progresses as planned, there is a risk of contracting parties defaulting and failing to pay receivables on time. If any or all of these risks materialize, it could have a material and adverse impact on our business, prospects, reputation, profitability, financial condition, and operational results.

***25. The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price.***

Our Promoters' average cost of acquisition of Equity Shares in our Company is lower than the Issue Price of the shares proposed to be offered through this Draft Red Herring Prospectus. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer to "Capital Structure" beginning on page 66 of this Draft Red Herring Prospectus.

***26. We are dependent on our Promoters, our senior management and other key personnel, and the loss of, or our inability to attract or retain, such persons could affect our business, results of operations, financial condition and cash flows.***

Our performance depends largely on the efforts and abilities of our promoters, senior management and other key personnel. They have gained experience in this line of business and have over the years built relations with our customers and other persons who are connected with us and have been actively involved in the day to day operations and management, further we believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for project development and procurement activities, and our overall business operations and the strategic



directions taken by our Company. For details in relation to the experience of our key management personnel, see “Our Management” on page 155 of this Draft Prospectus. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an effect on our business, results of operations, financial condition and cash flows.

***27. We possess an extensive inventory of equipment and maintain a sizable workforce, leading to elevated fixed expenditures for our organization. Should we encounter challenges in generating sufficient cash flows, it could potentially exert a significant adverse influence on our operational activities.***

As of October 31, 2023, we have 43 full-time employees (including executive directors) and 85 on-site contractual workers such as Engineers, Drivers, JCB Operators, helpers etc. and we possess an extensive fleet of contemporary construction equipment. We predominantly own rather than lease or hire equipment, thereby contributing to heightened fixed costs for our company. The potential inability to generate or sustain adequate revenue, whether due to unsuccessful project bids, delayed client payments, or non-recovery of payments, holds the potential for a materially adverse impact on our financial condition and operational performance.

Moreover, our workforce is aligned with existing and anticipated workloads. The absence of future contract awards or delays in such awards may result in substantial interim costs. Our forward-looking performance projections hinge on various factors, including the timing and acquisition of new contracts.

***28. Our projects require deployment of labour and depend on availability of labour. In case of unavailability of such labour, our business operations could be affected.***

Our projects rely on having a workforce, and our ability to keep workers. If we can't find or retain enough workers, it could negatively impact our business. We can't guarantee that we'll be able to continue with the same workforce or on favorable terms. Any such failure could affect our operations, business processes, and profits. Additionally, recent changes in labor laws in India might increase our costs related to compliance, wages, social security, and workplace safety. We can't guarantee that we'll always comply with these laws, and as our business grows, our labor and employee costs, along with operational expenses, might significantly increase. While our employees are currently not part of a union, there's no assurance they won't seek unionization in the future. If they do, it could make it challenging for us to maintain flexible labor policies, potentially increasing costs and negatively affecting our business.

***29. Our operations are subject to physical hazards and similar risks that could expose us to material liabilities, loss in revenues and increased expenses.***

While construction companies, including us, conduct various scientific and site studies during the course of bidding for projects, there are always anticipated or unforeseen risks that may come up due to adverse weather conditions, geological conditions, specification changes and other reasons. Additionally, our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire or explosion, including



hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective and this may have a material adverse effect on our reputation, business, financial condition and results of operation.

***30. Our operations rely on third-party transportation providers for the timely delivery of raw materials from our suppliers and the efficient distribution of our products to clients. Any failure on the part of these service providers to fulfill their obligations may significantly impact our business, financial condition, and operational results.***

We operate in the construction sector, specializing in design and execution of residential and commercial projects. The success of our endeavors is contingent upon the seamless procurement and transportation of raw materials essential for commercial project processes, originating from manufacturers and reaching our project sites. This supply chain is inherently exposed to diverse uncertainties and risks. Furthermore, the transit of raw materials is susceptible to potential losses or damages arising from accidents or natural disasters. Delays in the delivery of raw materials also pose a risk, potentially impacting our business and operational outcomes negatively. The inability to sustain an uninterrupted and efficient supply of raw materials may exert a material and adverse influence on our business, financial condition, and operational results.

***31. Substantial rises in the costs, scarcity, or delays in the availability of labor and essential building materials may impact our projected construction expenses and timelines, potentially leading to cost overruns and reduced profitability.***

As our company is actively involved in the construction of projects, our business is susceptible to adverse impacts resulting from fluctuations in the availability, cost, and quality of raw materials and labor. We procure various building materials for our projects, including steel, cement, flooring products, hardware, bitumen, sand and aggregates, doors and windows, bathroom fixtures, and other interior fittings, from external suppliers. The pricing and availability of these essential building materials, as well as other raw materials, are subject to factors beyond our control, including the cost of their raw materials, overall economic conditions, competitive forces, production costs and levels, transportation costs, indirect taxes, and import duties.

Our capacity to execute profitable project development and construction hinges on securing a sufficient and timely supply of building materials within our estimated budget. Given our reliance on third-party suppliers, our supply chain may be vulnerable to disruptions beyond our control, such as challenges related to transportation infrastructure, adverse weather conditions, and road accidents. Certain building materials, particularly cement and steel, are susceptible to rapid price increases. Additionally, operating in a labor-intensive industry, challenges in negotiating with labor or their sub-contractors may lead to work stoppages or increased operating costs due to higher-than-anticipated wages or benefits.

During periods of material shortages in building materials or labor supply, our ability to complete projects within predetermined timeframes and estimated costs may be compromised, potentially affecting our operational results and reputation negatively. Moreover, during periods of significant price increases in building materials or labor, we may face challenges passing these cost escalations onto our customers, thereby diminishing or eliminating the anticipated profits from our projects. These factors collectively pose potential adverse effects on our business, operational results, and cash flows.





***32. We depend on the services of external third-party service providers and contractors to carry out specific components of our projects. Any failure on their part to fulfill their contractual obligations could have adverse implications for our business, operational results, and cash flows.***

We engage various independent service providers and contractors for the execution of our projects. Additionally, third-party consultancy firms handle numerous regulatory requirements and approvals, acting as intermediaries with government authorities on our behalf. Furthermore, we consistently engage contractual labor for various aspects of our construction work, including services related to electrical, plumbing, and other specialized tasks.

In the event that a service provider or contractor fails to fulfill its obligations satisfactorily or within stipulated timeframes for a project, or terminates its engagement with us, it may impede our ability to achieve the desired quality, adhere to project timelines, and stay within the pre-estimated cost. Such situations may necessitate incurring additional costs or time to meet the required property development standards consistent with our objectives, potentially leading to reduced profits or, in some instances, significant penalties and losses that may not be recoverable from the respective service provider or contractor.

There is no guarantee that services provided by independent contractors will consistently meet our satisfaction or quality requirements. Additionally, we may face claims related to defaults and delayed payments to our contractors, which could have adverse effects on our business, operational results, and cash flows.

***33. Inadequate inventory management may adversely impact our net sales, profitability, cash flow, and liquidity.***

The operational performance of our business is contingent on our effective management of inventory for operational purposes and the stock of finished products. Achieving this entails accurate estimation of customer demand, procurement in line with supply requirements, and prudent inventory acquisition. Should our management misjudge anticipated customer demand, it could adversely impact results by causing either product shortages or an accumulation of excess inventory. Moreover, failure to sell acquired inventory may necessitate inventory write-downs, supplier payments without new purchases, or the creation of additional vendor financing, all of which could adversely affect income and cash flows.

Our sales estimates are based on customer demand, specifications, and requirements. Additionally, disruptions in product delivery to our warehouse or customers, stemming from factors such as poor handling, transportation bottlenecks, or labor strikes, may result in delayed or lost deliveries, damaged products, and supply disruptions. Overstocking inventory could escalate capital requirements and incur additional financing costs, while understocking may negatively impact our ability to meet customer demand and operational results. Any divergence between our planning and actual consumer consumption may lead to potential excess inventory or out-of-stock scenarios, both of which could adversely affect our business, financial condition, and operational results.

***34. Our Promoters, Directors, and Key Managerial Personnel may hold interests in our Company beyond the reimbursement of expenses or regular remuneration.***

Our Promoters and Directors may be considered to have an interest corresponding to the equity shares



they hold and the benefits derived from their ownership stake in our Company. Their interest extends to transactions involving our Company, including those between the Company and our Group Entities. Additional information on this matter can be found in the chapters titled “Our Business” and “Our Promoters” and “Our Promoter Group”, starting on page 114, 178 and 182, respectively. Furthermore, details on related party transactions are provided in the chapter titled 'Related Party Transactions' within the “Financial Statements” section, beginning on page 190 of this Draft Red Herring Prospectus.

***35. The divestment of shares by our promoters or other major shareholder(s) has the potential to negatively impact the market value of the Equity Shares.***

The divestment of shares by promoters or other substantial shareholder(s) has the potential to exert a notable influence on the trading price of our Equity Shares. Additionally, the broader market price may experience adverse effects following news regarding the sale of shares by promoters. It is important to note that the closing of trading windows during financial results periods may impose restrictions on promoters, limiting their ability to sell shares in the open market.

***36. Our success depends on our ability to attract and retain our key management personnel. If we are unable to do so, it would adversely affect our business and results of operations.***

Our future success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for management, running of our daily operations, and the planning and execution of our business strategy. There is intense competition for experienced senior management and other key personnel with technical and industry expertise in our business and if we lose the services of any of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired.

Additionally, we may not have in place the necessary systems and processes to develop key personnel internally. Our Company does not maintain any director's and officer's insurance policy or any keyman insurance policy. The loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations. Our performance also depends on our ability to attract and train highly skilled personnel. If we are unable to do so, it would materially and adversely affect our business, prospects and results of operations.

***37. The extent of our insurance coverage may not be sufficient to mitigate all conceivable losses that could potentially affect us. Such inadequacy may impart a material impact on our business and financial condition.***

We uphold insurance coverage for each project in progress, encompassing protection against damage resulting from severe weather conditions, floods, fires, earthquakes, third-party liability, and business interruption—standard coverage for the infrastructure industry in India and the jurisdictions in which we operate. However, certain risks may not be insurable or may not be insurable on commercially reasonable terms. The adequacy of our insurance coverage may be limited in specific circumstances, subject to deductibles, exclusions, and coverage limits.

There is no guarantee that the operation of our projects or infrastructure assets will remain unaffected by the exclusions of insurance policies, and the terms of our insurance policies may not be sufficient



to cover damages resulting from such incidents and hazards. Additionally, there is no assurance that any claims made under our insurance policies will be fully honored, partially honored, or honored within the expected timeframe.

In the event of an uninsured loss or a loss exceeding insured limits, we would incur the loss of anticipated revenue from the construction contract, and in the case of projects, the loss of our investment in the relevant project company. Furthermore, past or potential losses may not be covered by the insurance policies. For a more comprehensive understanding, please refer to the section titled 'Our Business' on page 114.

***38. Our projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect our business, financial condition, results of operations, and prospects.***

Our road infrastructure projects are exposed to various implementation risks, encompassing regulatory and permitting challenges, land acquisition complexities, engineering and design issues, construction delays, contractual disputes, political and economic uncertainties, technology risks, supply chain disruptions, force majeure events, and market fluctuations. These risks pose potential threats to project timelines and costs, impacting our business, financial condition, and prospects. While we employ risk management strategies, there is no guarantee of complete mitigation, necessitating careful consideration and due diligence by investors.

***39. We function within a fiercely competitive landscape and may encounter challenges in sustaining our market position, potentially leading to adverse effects on our business, operational results, and financial standing.***

We encounter intense competition in the competitive bidding landscape, both from domestic and international companies, particularly in the infrastructure projects sector in India. Foreign companies often collaborate with domestic counterparts to participate in these projects, creating a competitive environment. Similar competitive dynamics are observed in other jurisdictions where we have a presence. The liberalization of these sectors in recent years has attracted increased participation from foreign companies, leading to heightened competition for larger contracts.

This intensified competition has resulted in significant margin pressure, posing a potential material adverse impact on our business, prospects, financial condition, and operational results. Foreign companies, some of which may possess larger resources and assets, might achieve better economies of scale, enabling them to competitively bid at more favorable rates. Additionally, new entrants to these industries may adopt a strategy of reducing margins to gain market share. The competitive nature of the bidding process may compel both us and our competitors to lower prices in order to secure contracts.

***40. Our company does not have a designated monitoring agency, and the allocation of funds is subject to the discretion of our Management and Board of Directors, with oversight by our Audit Committee.***

In accordance with the SEBI (ICDR) Regulations, 2018, as amended, the appointment of a monitoring agency is mandated only for issue sizes exceeding Rs. 100 crore. Consequently, we have not engaged any monitoring agency for overseeing the utilization of proceeds from the issue. Nevertheless, the Audit Committee of our Board will oversee the deployment of issue proceeds in



compliance with the Listing Agreement. Moreover, our company is committed to promptly informing the NSE about any material deviations in the utilization of issue proceeds.

***41. The issue price of the Equity Shares may not necessarily reflect the future market price of our equity shares post-issue, and there exists the possibility that the market price of our Equity Shares may fall below the issue price.***

The assessment of the issue price for our Equity Shares entails a thorough examination of both qualitative and quantitative factors. The company has achieved notable progress in solidifying its standing within the Infrastructure sector, and these achievements have been conscientiously factored into the determination of the issue price for Equity Shares. For a comprehensive understanding of the rationale behind the issue price, please consult the section titled “Basis for Issue Price”, commencing on page 87 of the prospectus. It is imperative to recognize that the market price of our equity shares may experience variability subsequent to the issuance, with the potential for a decline below the initially established issue price.

***42. The ongoing success of our operations is significantly reliant on the continued contributions, strategic guidance, and financial support from our Promoter and Senior Management.***

The success and growth of our Company is heavily reliant on continuing service and efforts of our Promoter and Key Managerial Personnel. Their experience and vision plays pivotal role in the growth and operations of our business. If any member of our senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations may be affected materially and adversely.

***43. The potential for future dividend payments relies on our forthcoming earnings, financial health, cash flows, working capital needs, and capital expenditure considerations.***

Our prospective capacity to declare dividends will be contingent upon our earnings, financial health, and capital necessities. There is no guarantee that we will generate adequate income to cover operational expenses and distribute dividends to shareholders. The potential to pay dividends is also influenced by our expansion initiatives. It is plausible that we may not be in a position to distribute dividends in the short or medium term. The formulation of future dividend policies will be contingent upon the capital requirements, financing structures, business plans, financial condition, and operational results.

***44. Adverse impacts on our operations may arise from occurrences such as strikes, work stoppages, heightened wage demands from our employees, or any other form of disputes with our workforce.***

The efficiency of our operations is contingent upon the effectiveness of our workforce, which may be susceptible to disruption in the form of labor disputes involving subcontractors or employees. Business interruptions may occur due to strikes, work stoppages, or demands for wage increments. Failure to negotiate effectively with subcontractors, employees, or labor entities and find timely and acceptable resolutions may result in the suspension of construction activities at our worksites, leading to significant project delays.

***45. After the issuance, our Promoter and members of the Promoter Group will collectively maintain predominant control over our company, providing them with the authority to influence the outcomes of matters presented for shareholder approval.***



Following this issuance, our Promoter and the Promoter Group will collectively possess 62.33% stake in our equity share capital. Consequently, our Promoter, in collaboration with the Promoter Group, will retain a substantial level of influence over the Company. This influence extends to controlling the outcomes of proposals subject to majority shareholder voting, including the election of Board members, as per the provisions of the Companies Act, 2013, and our Articles of Association. Such concentrated ownership may introduce delays, prevention, or deterrence to potential changes in the control structure of our Company.

Moreover, our Promoter will retain the capability to instigate actions that may not align with, or could conflict with, our interests or the interests of certain creditors or other shareholders. We cannot guarantee that such actions will not adversely impact our future financial performance or the market price of our Equity Shares.

***46. We have not conducted independent verification of specific data presented in this Draft Red Herring Prospectus.***

We have not independently verified the industry and related data presented in this prospectus. Although we believe the sources referenced in the report to be reliable, we cannot guarantee their completeness or reliability. The data may be compiled on a basis different from comparable information for other countries. Consequently, discussions pertaining to India, its economy, or the industries in which we operate, as included herein, are subject to the caveat that the statistical and other data forming the basis for such discussions have not been verified by us and may be incomplete, inaccurate, or unreliable. Owing to potential issues such as incorrect or ineffective data collection methods, discrepancies between published information and market practices, and other factors, the statistics provided herein may be inaccurate or may not be comparable to statistics produced elsewhere. Therefore, undue reliance should not be placed on them. Additionally, we cannot guarantee that the statistics are stated or compiled on the same basis or with the same degree of accuracy as elsewhere.

***47. Our funding needs and the intended utilization of the Net Proceeds are derived from management estimates and have not undergone independent appraisal. These projections may be subject to alteration due to various factors, some of which are beyond our control.***

Our funding needs and the utilization plan for the Net Proceeds are formulated through internal management estimates, considering current market conditions. These estimates have not undergone appraisal by any bank, financial institution, or independent agency. In the absence of such independent appraisal, our funding requirements may be subject to change, contingent upon shareholder approval through the passage of a special resolution pursuant to Section 27 of the Companies Act, 2013, either through a postal ballot or an authority granted by the Company in a general meeting by means of a special resolution. These adjustments may be influenced by various factors beyond our control. For more detailed information, please refer to the section titled 'Objects of the Issue' starting on page 79 of this Draft Red Herring Prospectus.

## **EXTERNAL RISKS**

***48. A deceleration in the economic growth of India or global economic instability may have a detrimental impact on our business, financial condition, and operational results.***

We presently operate within India, a jurisdiction typically characterized by a developing economy, potentially lacking firmly established legal and regulatory systems compared to other nations. Our operational performance, growth trajectory, and the market value of our Equity Shares are heavily contingent on the overall performance of the Indian economy, its GDP growth rate, and the economic cycle within the country. Historical instances have seen India undergo economic slowdowns due to various factors, including the impact of the COVID-19 pandemic, unsustainably high current account deficits, capital outflows, and subsequent exchange rate pressures. While recent indications suggest a positive economic turnaround, there is no certainty that growth will remain uninterrupted, and the possibility of increased inflation persists. An economic deceleration in India could adversely affect our business, as well as our customers and contractual counterparts, particularly if such a downturn is prolonged. In periods marked by high inflation rates, our operational expenses may escalate, potentially impacting our cash flows and operational results adversely.

***49. Adverse global economic, political, and social conditions have the potential to impede our business operations, escalate costs, and negatively impact our stock valuation.***

Factors of a global economic and political nature, beyond our direct influence, play a pivotal role in shaping forecasts and directly impacting performance. Such factors encompass interest rates, economic growth rates, government fiscal and monetary policies, alterations in regulatory frameworks, inflation, deflation, foreign exchange fluctuations, consumer credit accessibility, consumer debt levels, unemployment patterns, threats and activities related to terrorism, global military and domestic disturbances, conflicts, and other elements that shape consumer confidence, spending patterns, and tourism trends.

***50. The impact of natural or man-made disasters has the potential to negatively influence our financial performance, cash flows, and overall financial health. Instances of hostilities, terrorist attacks, civil unrest, and other acts of violence have the potential to adversely affect financial markets and pose risks to our business.***

The potential occurrence of natural disasters such as cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic diseases, and man-made disasters, including acts of terrorism and military actions, poses a risk to our results of operations, cash flows, and financial condition. Acts of terrorism and violence may have adverse effects on the Indian securities markets. Additionally, any deterioration in international relations, particularly between India and its neighboring countries, may lead to investor concerns about regional stability, potentially impacting the price of Equity Shares. India has experienced local civil disturbances in recent years, and the possibility of future civil unrest or other adverse social, economic, or political events in India could negatively affect our business. Such incidents may also contribute to a perception that investing in Indian companies entails a higher level of risk, potentially impacting our business and the market price of Equity Shares.

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

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in affect 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.

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

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

***53. The market value of the Equity Shares may fluctuate due to the volatility of the Indian securities markets.***

The Indian securities markets may not be directly comparable to those in certain countries with more developed economies and capital markets. Historically, Indian stock exchanges have witnessed fluctuations in the prices of listed securities. Potential issues or challenges faced by Indian stock exchanges, if persistent or recurring, could impact the market price and liquidity of securities, including the Equity Shares. Regulatory bodies overseeing Indian stock exchanges have intermittently imposed restrictions on trading, limitations on price movements, and margin requirements. Additionally, disputes between listed companies, stock exchanges, and regulatory bodies may, at times, negatively influence market sentiment.

***54. Taxes, levies, and financial policies/regulations imposed by the Government of India or other State Governments may significantly impact our business, financial condition, and results of operations in an adverse manner.***

Taxes and levies imposed by the Central or State Governments in India, affecting our industry, encompass income tax, GST, and other taxes, duties, or surcharges that may be introduced on a permanent or temporary basis. The continuity of existing tax rates and slabs cannot be guaranteed, and any alterations in these rates or slabs may have adverse implications for our financial condition and operational results.

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

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



## SECTION IV – INTRODUCTION

### THE ISSUE

Particulars	Details of Number of Shares
Issue of Equity Shares by our Company	Up to 69,79,200 Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh.
<i>Of which:</i>	
Reserved for Market Makers	7,31,200 Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh.
Net Issue to the Public	62,48,000 Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh.
<i>Of which:</i>	
A. QIB portion **	Not more than [●] Equity Shares
<i>Of which</i>	
(a) Anchor Investor Portion	Upto [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs
(b) Net QIB Portion (assuming the anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs
<i>Of which:</i>	
(i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs
(ii) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs
B. Non – institutional portion **	Not Less than [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs
C. Retail portion **	Not Less than [●] Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs
<i>Pre-and Post-Issue Equity Shares:</i>	
Equity Shares outstanding prior to the Issue	1,80,00,000 Equity Shares of ₹ 10/- each
Equity Shares outstanding after the Issue	2,49,79,200 Equity Shares of ₹ 10/- each
Use of Proceeds	Please see the chapter titled “ <i>Objects of the issue</i> ” on page 79 of this Draft Red Herring Prospectus for information about the use of Net Proceeds.

*\*\*As per the Regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended, as present issue is a Book Building issue the allocation is the net offer to the public category shall be made as follows:*

- Not less than 35.00% (Thirty five percent) to retail individual investor;*
- Not less than 15.00% (Fifteen percent) to non-institutional investor*





- c) *Not more than 50.00% (Fifty percent) to qualified institutional buyers, 5.00% (Five percent) of which shall be allocated to mutual funds.*

*Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.*

*Provided further that in addition to 5.00% (Five percent) allocation available in terms of clause (C), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.*

*Our Company, in consultation with the BRLM, may allocate up to 60% (Sixty Percent) of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. 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 Net QIB Portion. Further, 5% (Five percent) of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portions 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 Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, 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 details, see “Issue Procedure” on page 311.*

*Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to applicable law.*

#### **Notes**

- 1) *The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. The issue is being made by our company in terms of Regulation 229 (2) of SEBI (ICDR) Regulation, read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post issued paid-up equity share capital of our company are being offered to the public for subscription.*
- 2) *The Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on December 11, 2023 and by our Shareholders pursuant to a resolution passed at the EGM held on December 15, 2023. This Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section titled “Issue Structure” beginning on page no. 352 of this Draft Red Herring Prospectus.*

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## SUMMARY OF OUR FINANCIAL INFORMATION

### CONSOLIDATED FINANCIAL STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Amount in ₹ Lakhs)

Particulars	Annexure No.	As at October 31, 2023	As at March 31, 2023
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders Fund</b>			
a) Share capital	6	1,800.00	480.00
b) Reserves and Surplus	7	1,605.31	2,069.66
<b>Total Shareholder's Fund</b>		<b>3,405.31</b>	<b>2,549.66</b>
<b>(2) Minority Interest</b>	8	229.17	346.57
<b>(3) Non-Current Liabilities</b>			
a) Long-Term Borrowings	9	3,135.17	2,882.10
b) Deferred Tax Liability (Net)	10	92.62	64.22
c) Long Term Provisions	11	15.00	12.54
<b>Total Non Current Liabilities</b>		<b>3,242.79</b>	<b>2,958.87</b>
<b>(4) Current Liabilities</b>			
a) Short Term Borrowings	12	3,408.94	2,967.08
b) Current Maturity of Long Term Borrowings	13	1,247.84	880.13
c) Trade Payables	14		
- Total Outstanding Dues of Micro, Small and Medium Enterprises		1,157.12	1,678.23
- Total Outstanding Dues Other than Micro, Small and Medium Enterprises		3,697.44	2,542.85
d) Other Current Liabilities	15	409.86	372.51
e) Short Term Provisions	16	434.41	374.95
<b>Total Current Liabilities</b>		<b>10,355.61</b>	<b>8,815.75</b>
<b>Total Equity &amp; Liability</b>		<b>17,232.87</b>	<b>14,670.84</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>a) Fixed Assets</b>			
(i) Property, Plant and Equipments	17	3,274.19	2,838.71
<b>Total Fixed Assets</b>		<b>3,274.19</b>	<b>2,838.71</b>
<b>b) Non- current Assets</b>			
i) Other Non- current Assets	18	644.95	563.76
<b>Total Non Current Assets</b>		<b>644.95</b>	<b>563.76</b>
<b>(2) Current assets</b>			
a) Inventories	19	8,998.68	7,345.13
b) Trade Receivables	20	2,137.24	1,070.79
c) Cash and Cash Equivalents balances	21	140.62	886.68
d) Short Term Loans and advances	22	1,559.05	1,353.25
e) Other Current Assets	23	478.16	612.51
<b>Total Current Assets</b>		<b>13,313.73</b>	<b>11,268.37</b>
<b>Total Assets</b>		<b>17,232.87</b>	<b>14,670.84</b>



# CONSOLIDATED FINANCIAL STATEMENT OF PROFIT & LOSS AS RESTATED

(Amount in ₹ Lakhs)

Particulars	Annexure No.	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>Income</b>			
Revenue from Operations	24	7,405.33	11,498.08
Other Income	25	6.57	52.00
<b>Total Income</b>		<b>7,411.90</b>	<b>11,550.09</b>
<b>Expenditure</b>			
Cost of Material Consumed	26	3,545.82	4,696.28
Other Direct Expense	27	1,626.56	3,775.54
Employee Benefit Expenses	28	346.86	461.15
Other Expenses	29	151.10	278.61
<b>Total Expenses</b>		<b>5,670.35</b>	<b>9,211.58</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>1,741.55</b>	<b>2,338.51</b>
Less: Depreciation & Amortisation Expenses	30	188.90	290.34
<b>Profit Before Interest and Tax</b>		<b>1,552.66</b>	<b>2,048.16</b>
Less: Finance Charges	31	357.17	438.82
<b>Profit before Taxation</b>		<b>1,195.49</b>	<b>1,609.35</b>
Less: Provision for Taxation		299.56	374.95
Less: Provision for Deferred Tax		28.81	19.79
<b>Total</b>		<b>328.37</b>	<b>394.74</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>867.12</b>	<b>1,214.61</b>
Less: Share of Minority Interest		(11.34)	(9.31)
<b>Net Profit Transferred to Reserves &amp; Surplus</b>		<b>855.78</b>	<b>1,205.31</b>
<b>Earnings per Equity Share of Rs.10/- each</b>			
-Basic		<b>4.75</b>	<b>6.70</b>
-Diluted		<b>4.75</b>	<b>6.70</b>

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# CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOW AS RESTATED

(Amount in ₹ Lakhs)

PARTICULARS	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax as per Profit & Loss A/c	1,195.49	1,609.35
Adjusted for :		
a. Depreciation	188.90	290.34
b. Interest Expenses & Finance Cost	357.17	438.82
c. Gratuity Expense	2.46	7.32
d. Other Adjustments	(0.13)	-
e. Interest & Other Income	(0.89)	(21.89)
<b>Operating profit before working capital changes</b>	<b>1,742.99</b>	<b>2,323.94</b>
Adjusted for :		
a. Decrease /(Increase) in Inventories	(1,653.54)	(3,884.99)
b. Decrease / ( Increase ) in trade receivable	(1,066.45)	359.77
c. ( Increase ) / Decrease in Short term loans and advances	(205.80)	(1,343.29)
d. Increase / ( Decrease ) in Trade Payables	633.48	1,774.75
e. Increase / ( Decrease ) in Other current liabilities	37.35	277.55
f. ( Increase ) / Decrease in Other Current Assets	134.36	(471.09)
<b>Cash generated from operations</b>	<b>(377.61)</b>	<b>(963.37)</b>
Net Income Tax (Paid)/Refund	(240.50)	-
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>(618.12)</b>	<b>(963.37)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
a. (Purchase) Sale of Fixed Assets	(624.37)	(897.08)
b. ( Purchase) / Sale of non-current investment	-	(5.00)
c. ( Increase ) / Decrease in Other Non Current Assets	(81.18)	(62.37)
d. Interest & Other Income	0.89	21.89
<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(704.66)</b>	<b>(942.57)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
a. Interest & Finance Cost	(357.17)	(438.82)
b. ( Repayments ) / proceeds of long term borrowings	253.07	504.22
c. ( Repayments ) / proceeds of short term borrowings	809.56	2,140.50
d. Increase/ (Decrease) in Equity share capital/ Partner's capital	(128.75)	206.68
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>576.71</b>	<b>2,412.58</b>
<b>Net Increase / ( Decrease ) in cash and cash equivalents</b>	<b>(746.06)</b>	<b>506.65</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>886.68</b>	<b>380.02</b>
<b>Cash and cash equivalents at the end of the period / year</b>	<b>140.62</b>	<b>886.67</b>



# STANDALONE FINANCIAL STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Amount in ₹ Lakhs)

Particulars	Annex ure No.	For the period ended	For the year ended		
		October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>I. EQUITY &amp; LIABILITIES</b>					
<b>(1) Shareholders Fund</b>					
a) Share capital	6	1,800.00	480.00	480.00	100.00
b) Reserves and Surplus	7	1,530.28	2,016.14	863.50	584.07
<b>Total Shareholder's Fund</b>		<b>3,330.28</b>	<b>2,496.14</b>	<b>1,343.50</b>	<b>684.07</b>
<b>(2) Non-Current Liabilities</b>					
a) Long-Term Borrowings	8	2,925.01	2,567.95	2,002.75	1,769.15
b) Deferred Tax Liability (Net)	9	49.59	37.26	45.28	30.42
c) Long Term Provisions	10	11.20	9.15	3.57	-
<b>Total Non Current Liabilities</b>		<b>2,985.80</b>	<b>2,614.36</b>	<b>2,051.60</b>	<b>1,799.57</b>
<b>(3) Current Liabilities</b>					
a) Short Term Borrowings	11	2,674.29	2,337.49	1,164.75	930.21
b) Current Maturity of Long Term Borrowings	12	915.51	579.85	-	-
c) Trade Payables	13				
- Total Outstanding Dues of Micro, Small and Medium Enterprises		899.41	1,678.23	900.50	852.60
- Total Outstanding Dues Other than Micro, Small and Medium Enterprises		2,918.40	1,703.00	715.29	827.53
d) Other Current Liabilities	14	179.24	165.13	62.37	28.10
e) Short Term Provisions	15	384.54	359.21	1.65	3.57
<b>Total Current Liabilities</b>		<b>7,971.39</b>	<b>6,822.90</b>	<b>2,844.55</b>	<b>2,642.01</b>
<b>Total Equity &amp; Liability</b>		<b>14,287.47</b>	<b>11,933.39</b>	<b>6,239.66</b>	<b>5,125.65</b>
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
<b>a) Fixed Assets</b>					
(i) Property, Plant and Equipments	16	2,397.12	1,924.01	1,502.95	1,324.75
<b>Total Fixed Assets</b>		<b>2,397.12</b>	<b>1,924.01</b>	<b>1,502.95</b>	<b>1,324.75</b>
b) Non - current Investments	17	115.89	35.24	-	-
c) Long Term Loans and Advances	18	-	-	3.86	3.86
d) Other Non- current Assets	19	644.95	563.76	501.40	253.69
<b>Total Non Current Assets</b>		<b>760.84</b>	<b>599.01</b>	<b>505.26</b>	<b>257.55</b>
<b>(2) Current assets</b>					
a) Inventories	20	7,489.45	6,083.26	2,424.87	1,590.96
b) Trade Receivables	21	2,114.05	952.85	1,446.54	1,358.57
c) Cash and Cash Equivalents balances	22	88.60	657.65	309.02	333.74
d) Short Term Loans and advances	23	1,212.43	1,343.29	-	5.32
e) Other Current Assets	24	224.99	373.31	51.02	254.75
<b>Total Current Assets</b>		<b>11,129.51</b>	<b>9,410.37</b>	<b>4,231.45</b>	<b>3,543.35</b>
<b>Total Assets</b>		<b>14,287.47</b>	<b>11,933.39</b>	<b>6,239.66</b>	<b>5,125.65</b>

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# STANDALONE FINANCIAL STATEMENT OF PROFIT AND LOSS AS RESTATED

(Amount in ₹ Lakhs)

Particulars	Annexure No.	For the period ended	For the year ended		
		October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Income</b>					
Revenue from Operations	25	6,918.69	10,633.56	6,388.85	5,799.76
Other Income	26	86.44	81.84	13.65	18.05
<b>Total Income</b>		<b>7,005.13</b>	<b>10,715.40</b>	<b>6,402.50</b>	<b>5,817.80</b>
<b>Expenditure</b>					
Cost of Consumption	27	3,658.84	4,741.14	2,857.02	3,798.65
Other Direct Expenses	28	1,400.28	3,341.80	2,127.91	830.77
Employee Benefit Expenses	29	251.98	296.80	251.83	503.63
Other Expenses	30	123.42	225.41	127.23	71.25
<b>Total Expenses</b>		<b>5,434.52</b>	<b>8,605.15</b>	<b>5,363.99</b>	<b>5,204.30</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>1,570.61</b>	<b>2,110.25</b>	<b>1,038.50</b>	<b>613.50</b>
Depreciation & Amortisation Expenses	31	154.86	234.66	170.39	102.04
<b>Profit Before Interest and Tax</b>		<b>1,415.75</b>	<b>1,875.58</b>	<b>868.11</b>	<b>511.46</b>
Financial Charges	32	319.05	371.77	309.05	195.40
<b>Profit before Taxation</b>		<b>1,096.70</b>	<b>1,503.81</b>	<b>559.07</b>	<b>316.06</b>
Provision for Taxation		250.10	359.21	144.77	79.67
Provision for Deferred Tax		12.33	(8.03)	14.87	10.10
<b>Total</b>		<b>262.43</b>	<b>351.18</b>	<b>159.64</b>	<b>89.77</b>
<b>Profit After Tax but Before Extraordinary Items</b>		<b>834.27</b>	<b>1,152.63</b>	<b>399.43</b>	<b>226.30</b>
Extraordinary Items		-	-	-	-
<b>Net Profit after adjustments</b>		<b>834.27</b>	<b>1,152.63</b>	<b>399.43</b>	<b>226.30</b>
<b>Net Profit Transferred to Balance Sheet</b>		<b>834.27</b>	<b>1,152.63</b>	<b>399.43</b>	<b>226.30</b>
<b>Earnings per Equity Share of Rs.10/- each</b>					
-Basic		<b>4.63</b>	<b>6.40</b>	<b>2.22</b>	<b>1.26</b>
-Diluted		<b>4.63</b>	<b>6.40</b>	<b>2.22</b>	<b>1.26</b>

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# STANDALONE FINANCIAL STATEMENT OF CASH FLOW AS RESTATED

(Amount in ₹ Lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax as per Profit & Loss A/c	1,096.70	1,503.81	559.07	316.06
Adjusted for :				
a. Depreciation	154.86	234.66	170.39	102.04
b. Interest Expenses & Finance Cost	319.05	371.77	309.05	195.40
c. Gratuity Expense	2.05	3.94	1.65	3.57
d. Other Adjustments	(0.13)	-	-	(7.52)
e. Interest & Other Income	(0.89)	(21.89)	(13.21)	(11.82)
<b>Operating profit before working capital changes</b>	<b>1,571.64</b>	<b>2,092.29</b>	<b>1,026.95</b>	<b>597.73</b>
Adjusted for :				
a. Decrease /(Increase) in Inventories	(1,406.18)	(3,658.39)	(833.91)	(316.36)
b. Decrease / ( Increase ) in trade receivable	(1,161.20)	493.69	(87.96)	(1,226.25)
c. ( Increase ) / Decrease in Short term loans and advances	130.86	(1,343.29)	5.32	383.08
d. Increase / ( Decrease ) in Trade Payables	436.58	1,765.45	(64.34)	722.47
e. Increase / (Decrease) in Short term provisions	-	-	-	(6.71)
f. Increase / ( Decrease ) in Other current liabilities	14.11	102.76	34.27	7.41
g. ( Increase ) / Decrease in Other Current Assets	148.32	(322.29)	203.73	(212.19)
<b>Cash generated from operations</b>	<b>(265.87)</b>	<b>(869.79)</b>	<b>284.05</b>	<b>(50.83)</b>
Net Income Tax (Paid)/Refund	(224.76)	-	(144.77)	(79.67)
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>(490.63)</b>	<b>(869.79)</b>	<b>139.27</b>	<b>(130.50)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
a. (Purchase) Sale of Fixed Assets	(627.97)	(655.73)	(348.59)	(926.62)
b. ( Purchase) / Sale of non-current investment	(80.65)	(35.24)	-	-
c. ( Increase ) / Decrease in Long term loans and advances		3.86	-	-
d. ( Increase ) / Decrease in Other Non Current Assets	(81.18)	(62.37)	(247.70)	(253.69)
e. Interest & Other Income	0.89	21.89	13.21	11.82
<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(788.90)</b>	<b>(727.59)</b>	<b>(583.08)</b>	<b>(1,168.49)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
a. Interest & Finance Cost	(319.05)	(371.77)	(309.05)	(195.40)
b. Proceeds from share issued including Premium	-	-	260.00	-
c. ( Repayments ) / proceeds of long term borrowings	357.07	565.20	233.60	1,276.81
d. ( Repayments ) / proceeds of short term borrowings	672.47	1,752.58	234.54	255.49
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>710.48</b>	<b>1,946.01</b>	<b>419.09</b>	<b>1,336.90</b>
<b>Net Increase / ( Decrease ) in cash and cash equivalents</b>	<b>(569.05)</b>	<b>348.63</b>	<b>(24.72)</b>	<b>37.91</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>657.65</b>	<b>309.02</b>	<b>333.74</b>	<b>295.83</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>88.60</b>	<b>657.66</b>	<b>309.02</b>	<b>333.74</b>





## GENERAL INFORMATION

Our Company was incorporated as AVP Constructions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated September 09, 2009, issued by Registrar of Companies, Chennai. Subsequently, the name of our Company was changed to 'AVP Infracon Private Limited' and a fresh certificate of incorporation consequent upon change of the name was issued by the Registrar of Companies, Chennai dated October 06, 2023. Further, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at the Extra Ordinary General Meeting of the Company held on October 20, 2023 and the name of our Company was changed from "AVP Infracon Private Limited" to "AVP Infracon Limited" vide a fresh Certificate of Incorporation dated November 17, 2023 having CIN U45400TN2009PLC072861 issued by the Registrar of Companies, Chennai.

For details of changes in registered offices of our Company, please refer to the section titled "Our History and Certain Other Corporate Matters" beginning on page 147 of this Draft Red Herring Prospectus.


<b>Registered Office</b>	Plot No. E-30, Second Floor, IInd Avenue, Besant Nagar, Chennai, Tamil Nadu- 600090 Telephone: +91-44-48683999 Mobile No.: +91-9363066331 E-mail: <a href="mailto:info@avpinfra.com">info@avpinfra.com</a> Website: <a href="http://www.avpinfra.com">www.avpinfra.com</a>		
<b>Date of Incorporation</b>	September 09, 2009		
<b>Company Registration No.</b>	072861		
<b>CIN</b>	U45400TN2009PLC072861		
<b>Company Category</b>	Company limited by Shares		
<b>Company Subcategory</b>	Non- Government Company		
<b>Registrar of Companies</b>	Registrar of Companies, Chennai Shastri Bhavan, II Floor, 26, Haddows Road, Chennai - 600 006 Tel. No.: 044-28276685, 044-28272676 Email: <a href="mailto:roc.chennai@mca.gov.in">roc.chennai@mca.gov.in</a> Website: <a href="http://www.mca.gov.in">www.mca.gov.in</a>		
<b>Company Secretary and Compliance Officer</b>	Ms. Priyanka Singh Plot No. E-30, IInd Floor, IInd Avenue Besant Nagar, Chennai, Tamil Nadu 600090, India. Tel: +91-44-48683999 Fax: N.A E-mail: <a href="mailto:cs@avpinfra.com">cs@avpinfra.com</a>		
<b>Chief Financial Officer</b>	Mr. B Venkateshwarlu Plot No. E-30, IInd Floor, IInd Avenue Besant Nagar, Chennai, Tamil Nadu 600090, India. Tel: +91-9003500006 Fax: N.A E-mail: <a href="mailto:venkat@avpinfra.com">venkat@avpinfra.com</a>		
<b>Designated Stock Exchange</b>	Emerge Platform of National Stock Exchange of India Limited Address: Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051		
<b>Bid/ Issue Programme</b>	Bid/ Issue Opens On:	[●]	Bid/ Issue Closes On: [●]
	Anchor Investors Bidding Date		[●]



**Note:** Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days.

## DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

BOOK RUNNING LEAD MANAGERS TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>Share India Capital Services Private Limited</b>  <b>Address:</b> A-15, Sector-64, Noida – 201301, Uttar Pradesh, India  <b>Tel No.:</b> +91-120-4910000  <b>Fax No.:</b> N.A.  <b>Email:</b> <a href="mailto:info@shareindia.com">info@shareindia.com</a>  <b>Contact Person:</b> Mr. Anand Srivastava  <b>Website:</b> <a href="http://www.shareindia.com">www.shareindia.com</a>  <b>SEBI Registration No.:</b> INM000012537  <b>CIN:</b> U65923UP2016PTC075987</p>	 <p><b>Purva Share Registry (India) Private Limited</b>  <b>Address:</b> Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near Lodha Excelus, Lower Parel (E), Mumbai – 400011  <b>Tel No.:</b> +91-22-2301 8261  <b>Fax No.:</b> N.A.  <b>Email:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a>  <b>Contact Person:</b> Mr. Deepali Dhuri  <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a>  <b>SEBI Registration No.:</b> INR000001112  <b>CIN:</b> U67120MH1993PTC074079</p>
ADVISOR TO THE ISSUE	PEER REVIEW/ STATUTORY AUDITORS
 <p><b>AKSAN Capital Advisory Private Limited</b>  <b>Address:</b> Parvathy Apartment, 2nd Floor, New No:28, Old No:27, Dhamodharan Street, T Nagar, Chennai- 600017, Tamilnadu, India  <b>Tel. No.:</b> +91 93602-67233  <b>Email Id:</b> <a href="mailto:md@aksan.in">md@aksan.in</a>  <b>Contact Person:</b> Mr. Rajinikanth E S</p>	 <p><b>M/s. P P N AND COMPANY, CHARTERED ACCOUNTANTS</b>  <b>Address:</b> No. 2, IV Cross Street, Sterling Road, Nungambakkam, Chennai - 600034  <b>Tel. No.:</b> +91 98844-26716  <b>Email Id:</b> <a href="mailto:ram@ppnaco.com">ram@ppnaco.com</a>  <b>Contact Person:</b> Mr. R. Rajaram  <b>FRN:</b> 013623S  <b>Peer Review No.:</b> 013578</p>
LEGAL ADVISOR TO THE ISSUE	PRINCIPAL BANKERS TO THE COMPANY
 <p><b>Yana Attorneys and Legal</b>  <b>Address:</b> 29/A, Valmikki Appartment, Valmikki Street, Thiruvannamipur, Chennai- 600041  <b>Tel. No.:</b> +91-8015997745  <b>Email Id:</b> <a href="mailto:advroshanrajput@outlook.com">advroshanrajput@outlook.com</a>  <b>Contact Person:</b> Adv. S. Roshan  <b>Enrolment No.:</b> MS/102/2018</p>	 <p><b>The Federal Bank Ltd.</b>  <b>Address:</b> Commercial Banking No 27 Akshaya Shanthi ,6Th Floor, Anna Salai Chennai – 600 002  <b>Tel. No.:</b> 04447748552 , 88700 02012  <b>Email Id:</b> <a href="mailto:praveenkumar@federal.co.in">praveenkumar@federal.co.in</a>  <b>Contact Person:</b> Mr. Praveen Kumar.K</p>

MARKET MAKERS	BANKERS TO THE ISSUE/ REFUND BANK/ SPONSOR BANK
 <p><b>SHARE INDIA SECURITIES LIMITED</b>  <b>Address:</b> Unit No 60A-B 605A-B 6th Flr Tower A World Trade Centre Gift CityBlock-51 Zone-5 Road 5e Gift City Gandhinagar Gujarat- 382355  <b>Tel No.:</b> 91-120-4910000  <b>Email Id:</b> <a href="mailto:vikas_cs@shareindia.com">vikas_cs@shareindia.com</a>  <b>Website:</b> <a href="http://www.shareindia.com/">www.shareindia.com/</a>  <b>Contact Person:</b> Mr. Vikas Aggarwal  <b>SEBI Registration No.:</b> INZ000178336</p>	<p>[•]</p>

#### BOARD OF DIRECTORS OF OUR COMPANY

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name	Age	Designation	DIN	Address
1.	Mr. D Prasanna	43	Chairman, Managing Director & Chief Executive Officer	02720759	2/632 C, Narmada Street 4th Main Road River View Enclave, Manapakkam, Kancheepuram, Tamil Nadu - 600125
2.	Mr. B Venkateshwarlu	42	Joint Managing Director	02720729	F-408, Purva Amaiti, Tiruchi Road, Behind shanthi Social Service, Singanallur, Coimbatore, Tamil Nadu-641005
3.	Mr. Vasanth D	40	Whole Time Director	10330344	10, Pallavan Street, Indra Nagar, Tiruchirappalli, K. K Nagar, Tamil Nadu - 620021
4.	Mrs. D Bhagyavathy	67	Director	10341505	No. 10, Pallavan Street, Indira Nagar, K.K Nagar, Tiruchirappalli, Tamil Nadu-620021
5.	Mrs. Priya Rao	49	Independent Director	00717336	2B, Tennis Towers, 40, 4th Main Road, Rajaji Bhavan, Besant Nagar, Chennai, Tamil Nadu - 600090
6.	Mr. C Rajendran	60	Independent Director	10345090	B1A, Jains Westminster, 34 Arunachalam Road, Saligramam, Chennai, Tamil Nadu- 600093
7.	Mr. Rajan Ethiraja	44	Independent Director	09688086	Old No. 34, Pallappan Street, Near ICE House Masjid Opp. Ellaianman Arch, Triplicane, Chennai, Tamil Nadu- 600005



For detailed profile of our Board of Directors, please see the chapter titled “Our Management” on page 155 of the Draft Red Herring Prospectus.

## CHANGES IN AUDITORS DURING THE LAST THREE YEARS

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

Name of Auditor	Appointment / Resignation	Date of Appointment / Resignation	Reason
M/s P P N and Company	Re-Appointment	September 30, 2023	Re-Appointment of retiring auditors M/s P P N and Company, Chartered Accountants, (Firm Registration No: 013623S), as the statutory auditors for a period of five financial years till 2028.
M/s P P N and Company	Appointment	June 15, 2023	Appointed in Casual Vacancy
M/s Sami and Rajhu	Resignation	June 12, 2023	Due to Pre-Occupation
M/s Sami and Rajhu	Appointment	December 31, 2020	Appointed in case of casual vacancy

## INVESTOR GRIEVANCES

Investors can contact the Compliance Officer or the Book Running Lead Managers 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 Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Managers, who shall respond to the same.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Application Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, Application Form number, Applicants’ DP ID, Client ID, UPI ID, PAN, date of submission of the Application Form, address of the Applicant, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant and ASBA Account number (for Applicants other than RIIs using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID in case of RIIs using the UPI Mechanism.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint.

Further, the post issue book running lead managers are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

Further, the Applicant shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

All Issue-related grievances of the Anchor Investors may be addressed to the Book Running Lead Managers, giving full details such as the name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for, name and address of the Book Running Lead Managers, unique transaction reference number, the name of the relevant bank, Application Amount paid on submission of the Application Form and the name and address of the Book Running Lead Managers where the Application Form was submitted by the Anchor Investor.

#### **FILING OF DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS WITH BOARD AND REGISTRAR OF COMPANIES**

The Offer Document will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of the Offer Document shall be furnished to the Board (SEBI) in a soft copy.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC Chennai at Shastri Bhavan, II Floor, 26, Haddows Road, Chennai - 600 006

#### **SELF-CERTIFIED SYNDICATE BANKS**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the below mentioned SEBI link. <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

#### **SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS FOR UPI MECHANISM AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM**

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 Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Applications can be submitted by RIIs using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Applications, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and



<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

## **REGISTERED BROKERS**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website Stock Exchange, a National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) as updated from time to time.

## **REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) as updated from time to time.

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the Collecting Depository Participants (CDPs) eligible to accept 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.

## **CREDIT RATING**

This being an issue of Equity Shares, credit rating is not required.

## **GREEN SHOE OPTION**

No Green Shoe option is applicable for this offer.

## **IPO GRADING**

Since the Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, there is no requirement of appointing an IPO grading agency.

## **BROKERS TO THE OFFER**

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

## **DEBENTURE TRUSTEE**

Since this is not a debenture issue, appointment of debenture trustee is not required.

## **EXPERT OPINION**

Except as stated below, our Company has not obtained any expert opinions:



Our Company has received written consent dated December 16, 2023 from Peer Review Auditor namely, M/s P P N and Company, Chartered Accountants (FRN: 238452), and written consent dated Yana Attorneys and Legal dated December 22, 2023 (Enrollment no.: MS/102/2018) respectively, to include their name as an expert as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act 2013. such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act

The Peer Review Auditor M/s P P N and Company, Chartered Accountants has given their Audit report as included in this Draft Red Herring Prospectus, in relation to the Restated Financial Statements dated December 22, 2023 and the statement of Special Tax Benefits dated December 22, 2023.

Further, Advocate S Roshan has given his legal due diligence report, as included in this Draft Red Herring Prospectus, in relation to the Outstanding Litigations and Material Developments dated December 26, 2023.

Aforementioned consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term - expert shall not be construed to mean an - expert as defined under the U.S. Securities Act. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

#### **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 Lakhs. Since the Issue size is only of ₹ [●] Lakhs, 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.

#### **BOOK BUILDING PROCESS**

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Draft Red Herring Prospectus/ Red Herring Prospectus within the Price Band, which will be decided by our Company, in consultation with the BRLM, and will be advertised in [●] editions of the English national newspaper, [●] editions of the Hindi national newspaper and [●] editions in regional language where our Registered Office is located, each with wide circulation, at least two working days prior to the Bid/ Offer Opening Date. The Offer Price shall be finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

All Bidders (except Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Pursuant to the UPI Circulars, Retail Individual Bidders may also participate in this Offer through UPI in the ASBA process. 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/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.

Each Bidder by submitting a Bid in Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.



Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue. In this regard, our Company has appointed the BRLM to manage this Issue and procure Bids for this Issue. The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

The process of Book Building is in accordance with the guidelines, rules and regulations prescribed by SEBI under the SEBI ICDR Regulations and the Bidding Processes are subject to change from time to time. Investors are advised to make their own judgment about investment through this process prior to submitting a Bid in this Offer.

Bidders should note that this Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details, please refer to the chapters titled “Issue Structure” and “Issue Procedure” beginning on pages 352 and 311, respectively of this Draft Red Herring Prospectus.

## ILLUSTRATION OF BOOK BUILDING PROCESS AND THE PRICE DISCOVERY PROCESS

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled “Issue Procedure” on page 311 of this Draft Red Herring Prospectus.

## UNDERWRITING AGREEMENT

Our Company and BRLM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated December 20, 2023. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name, Address, Telephone, Fax, and Email of the Underwriter	Indicative No. of Equity Shares to Be Underwritten	Amount Underwritten (₹ In Lakh)	% of the Total Issue Size Underwritten
<b>Share India Capital Services Private Limited</b> A-15, Sector-64, Noida – 201301, Uttar Pradesh, India Tel.: +91 0120-4910000 <b>Email:</b> anand.srivastava@shareindia.co.in	69,79,200	[●]	100.00%

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter is sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

## FILING OF PROSPECTUS

A soft copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> as per Regulation 246(1) of SEBI (ICDR) Regulations.



Pursuant to Regulation 246(2) of SEBI ICDR Regulations, the SEBI shall not issue any observation on the offer document.

A copy of the Red Herring Prospectus and Prospectus along with the documents required to be filed under Section 26 read with Section 32 of the Companies Act will be delivered to the Registrar of Companies, at least (3) three working days prior from the date of opening of the Issue.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform NSE Emerge on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from NSE Emerge, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

#### **DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER**

Our Company and the BRLM have entered into a tripartite agreement dated December 20, 2023 with Share India Securities Limited the Market Maker for this Issue, duly registered with NSE Emerge to full fill the obligations of Market Making:

The Market Maker shall full fill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker 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.
2. 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 NSE Limited and SEBI from time to time.
3. In terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Issue). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two way quotes during the first three months of the market making irrespective of the level of holding.
4. 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 offer 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.

5. There shall be no exemption/ threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, the concerned Stock Exchange may intimate the same to SEBI after due verification.
6. The Market Maker shall not selling lots less than the minimum contract size allowed for trading on the Emerge Platform of NSE and the same may be changed by the Emerge Platform of NSE from time to time.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by them.
8. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on Emerge Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
9. The Market Maker shall start providing quotes from the day of the listing/ the day when designated as the Market Maker for their respective scrip and shall be subject to the guidelines laid down for market making by the SME Exchange.
10. 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.
11. Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of AVP INFRACON or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.
12. The Promoters' holding in AVP INFRACON Equity Shares shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding in AVP INFRACON which is not locked-in as per the SEBI (ICDR) Regulations, as amended, can be traded with prior permission of the Emerge Platform of NSE, and in the manner specified by SEBI from time to time.
13. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Company at any particular level and is purely supposed to facilitate liquidity on the counter of AVP INFRACON via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.

The Market Maker shall be allowed to terminate this Agreement by giving a written notice to BRLM, two months prior to the date from which he wishes to discontinue his services. Provided however that, if BRLM agrees to the same, the notice period may be reduced in order to provide mutual comfort. Provided further that, the Market Maker may be replaced with a successor Market Maker, which is acceptable to NSE, BRLM and the Issuer Company from time to time.

In case of termination of the agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of BRLM to arrange another Market Maker in replacement during the term of the notice period being served by the current Market Maker (i.e. Share India Securities Limited) 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. In such a case, revised

agreement like this one shall have to be entered into and this too shall be the responsibility of BRLM. However, certain terms and conditions may be modified on mutual consent of the Issuer Company and the Book Running Lead Manager, subject to such modifications being legal and allowed under the then applicable laws, rules and regulations.

The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

14. **Risk containment measures and monitoring for Market Makers:** Emerge Platform of NSE will have all margins which are applicable on the 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.
15. **Punitive Action in case of default by Market Maker:** Emerge Platform of 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 Makers, 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(s) 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 Makers from time to time.

**Price Band and Spreads:** Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets 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 Rs. 20 Crore	25%	24%
Rs. 20 Crore to Rs. 50 Crore	20%	19%
Rs. 50 Crore to Rs. 80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

The Marketing 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.

*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.*



## CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on date of this Draft Red Herring Prospectus:

(₹ In Lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b> 2,50,00,000 Equity Shares of face value of ₹ 10/- each	2,500.00	-
<b>B</b>	<b>Issued, Subscribed and Paid-Up Share Capital Before the Issue</b> 1,80,00,000 fully paid- up Equity Shares of face value of ₹ 10/- each	1,800.00	-
<b>C</b>	<b>Present Issue in terms of this Draft Red Herring Prospectus</b> Up to 69,79,200 Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share <sup>^1^2</sup>	697.92	[●]
	<b>Of which:</b>		
<b>D</b>	<b>Reservation for Market Maker Portion - 7,31,200 Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share reserved as Market Maker Portion</b>	73.12	[●]
<b>E</b>	<b>Net Issue to Public</b> Net Issue to Public of 62,48,000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share to the Public	624.80	[●]
	<b>Of which:</b> <sup>^3</sup>		
	At least [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs will be available for allocation to Retail- Individual Investors.	[●]	[●]
	At least [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs will be available for allocation to Non- Individual Investors.	[●]	[●]
	Not more than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual funds.	[●]	[●]
<b>F</b>	<b>Issued, Subscribed and Paid Up Share Capital After the Issue</b> 2,49,79,200 Equity Shares of face value of ₹ 10/- each	2,497.92	
<b>G</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue (as on date of this Draft Red Herring Prospectus)	-	
	After the Issue		[●]

1. To be updated upon finalization of Issue Price.
2. The Present Issue of up to 69,79,200 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board dated December 11, 2023 and by Special



*Resolution passed under Section 23 and Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on December 15, 2023.*

3. *Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spillover from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.*

#### **Class of Shares: -**

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

#### **NOTES TO THE CAPITAL STRUCTURE:**

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

Since the incorporation of our Company, the Authorized share capital of our Company has been altered in the manner set forth below:

Sr. No.	Date	No. of Shares	Face Value (in ₹)	Cumulative No. of Shares	Cumulative Authorised Share Capital (in ₹)	Whether AGM/EGM
1	On Incorporation	10,000	10	10,000	1,00,000	N.A.
2	March 27, 2017	4,90,000	10	5,00,000	50,00,000	EGM
3	March 30, 2018	5,00,000	10	10,00,000	1,00,00,000	EGM
4	November 10, 2021	40,00,000	10	50,00,000	5,00,00,000	EGM
5	September 30, 2023	2,00,00,000	10	2,50,00,000	25,00,00,000	AGM

*\*The date of incorporation of our Company is September 09, 2009.*

##### **2. History of Paid-Up Equity Share Capital of our Company:**

Date of Allotment of the Equity shares	No. of Equity Shares Allotted	Face Value (in ₹)	Issue Price (in ₹)	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid-up Capital (in ₹)	Cumulative security premium (in ₹)
On Incorporation	10,000	10	10	Subscription to MOA <sup>(1)</sup>	Cash	10,000	1,00,000	Nil
May 19, 2017	3,00,000	10	-	Bonus Issue <sup>(2)</sup>	NA	3,10,000	31,00,000	Nil
March 31, 2018	6,90,000	10	10	Conversion from loan to equity <sup>(3)</sup>	Other than Cash	10,00,000	1,00,00,000	Nil
November 19, 2021	26,00,000	10	10	Right Issue <sup>(4)</sup>	Cash	36,00,000	3,60,00,000	Nil



November 29, 2021	12,00,000	10	-	Bonus Issue <sup>(5)</sup>	NA	48,00,000	4,80,00,000	Nil
November 02, 2023	1,32,00,000	10	-	Bonus Issue <sup>(6)</sup>	NA	1,80,00,000	18,00,00,000	Nil

- (1) Initial Subscribers to Memorandum of Association held Equity Shares each of face value of ₹ 10/- fully paid up as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	D Prasanna	4,000
2.	B Venkateshwarlu	3,000
3.	J. Arunkumar	3,000
	<b>Total</b>	<b>10,000</b>

- (2) The Company thereafter allotted 3,00,000 Equity shares as Bonus Issue in the ratio of 30:1 on 19-05-2017, the details of which is given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	D Prasanna	2,10,000
2.	B Venkateshwarlu	90,000
	<b>Total</b>	<b>3,00,000</b>

- (3) The Company thereafter made preferential allotment of 6,90,000 equity shares of 31-03-2018 by conversion of loan into equity shares, the details of which is given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	D Prasanna	4,83,000
2.	B Venkateshwarlu	2,07,000
	<b>Total</b>	<b>6,90,000</b>

- (4) The Company thereafter made rights shares allotment of 26,00,000 equity shares of 19-11-2021, the details of which is given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	D Prasanna	14,60,000
2.	B Venkateshwarlu	11,40,000
	<b>Total</b>	<b>26,00,000</b>

- (5) The Company thereafter allotted 12,00,000 Equity shares as Bonus Issue in the ratio of 1:3 on 29-11-2021, the details of which is given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	D Prasanna	7,20,000
2.	B Venkateshwarlu	4,80,000
	<b>Total</b>	<b>12,00,000</b>

- (6) The Company thereafter allotted 1,32,00,000 Equity shares as Bonus Issue in the ratio of 11:4 on 02-11-2023, the details of which is given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	D Prasanna	61,32,495
2.	B Venkateshwarlu	41,80,000
3.	Gowri Manohari D	305,805
4.	Vasanth D	2,75,000
5.	Chokkarapu Vasumathi	3,87,200
6.	D Bhagyavathy	1,37,500
7.	Aparna Samir Thakker	8,77,800
8.	Mukesh Purushottam Chamedia	8,77,800
9.	P Savitha	26,400
	<b>Total</b>	<b>1,32,00,000</b>

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### 3. Shareholding of the Promoters of our Company

As on the date of the Draft Red Herring Prospectus, our Promoters – Mr. D Prasanna and Mr. B Venkateshwarlu, hold total 1,40,62,493 Equity Shares representing 78.12% of the pre-issue paid up share capital of our Company.

#### *Details of build-up of shareholding of the Promoters*

Date of Allotment/ Transfer	Nature of Transaction/ Issue	Face Value per equity share (In ₹)	Issue/ Transfer price per share (In ₹)	No. of Equity Shares	Consideration	% of pre issue capital	% of post issue capital	Name of Transferor/ Transferee
<b>Mr. D Prasanna</b>								
Incorporation	Subscription to MOA	10	10	4,000	Cash	0.02%	0.02%	-
September 12, 2016	Acquired by Transfer	10	10	3,000	Cash	0.02%	0.01%	Transferor: J Arunkumar
May 19, 2017	Bonus Issue	10	10	2,10,000	Other than cash	1.17%	0.87%	-
March 31, 2018	Preferential Allotment	10	Nil	4,83,000	Loan Conversion	2.68%	1.99%	-
August 02, 2021	(Transfer)	10	10	-1	Cash	0.00%	0.00%	Transferee: K Karunanithi
August 02, 2021	(Transfer)	10	10	-1	Cash	0.00%	0.00%	Transferee: T. Vardharaj
November 19, 2021	Right Issue	10	10	14,60,000	Cash	8.11%	6.02%	-
November 29, 2021	Bonus Issue	10	Nil	7,20,000	Other than Cash	4.00%	2.97%	-
January 31, 2023	(Transfer)	10	Nil	-5,00,000	Gift	-2.78%	-2.06%	Transferee: Gowri Manohari D
January 31, 2023	(Transfer)	10	Nil	-1,00,000	Gift	-0.56%	-0.41%	Transferee: Vasanth D
January 31, 2023	(Transfer)	10	Nil	-50,000	Gift	-0.28%	-0.21%	Transferee: D Bhagyavathi
November 02, 2023	Bonus Issue	10	Nil	61,32,495	Other than Cash	34.07%	25.29%	-
<b>Total</b>				<b>83,62,493</b>		<b>46.46%</b>	<b>34.49%</b>	
<b>Mr. B Venkateshwarlu</b>								
Incorporation	Subscription to MOA	10	10	3,000	Cash	0.02%	0.01%	-
May 19, 2017	Bonus Issue	10	Nil	90,000	Other than Cash	0.50%	0.37%	-
March 31, 2018	Preferential Allotment	10	10	2,07,000	Loan Conversion	1.15%	0.85%	-
November 19, 2021	Right Issue	10	10	11,40,000	Cash	6.33%	4.70%	-
November 29, 2021	Bonus Issue	10	Nil	4,80,000	Other than Cash	2.67%	1.98%	-
January 31, 2023	(Transfer)	10	Nil	-4,00,000	Gift	-2.22%	-1.65%	Transferee: V. Vasumathi Chokkarapu
November 02, 2023	Bonus Issue	10	Nil	41,80,000	Other than Cash	23.22%	17.24%	-
<b>Total</b>				<b>57,00,000</b>		<b>31.67%</b>	<b>23.51%</b>	-

All the Equity Shares held by our Promoters are fully paid-up and none of the Equity Shares held by our Promoters are under pledged.

## 1. Our shareholding pattern

(a) The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Draft Red Herring Prospectus:

Category Code	Category of shareholder	No. of shareholder	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	Share holding as a % of total no. of shares (calculated as per SCR R, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Under lying Outstanding convertible securities (including Warrants)	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 shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class X	Class Y	Total								
I	II	III	IV	V	VI	VII= IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters and Promoter Group	6	1,55,70,000	-	-	1,55,70,000	86.50	1,55,70,000	-	1,55,70,000	86.50	-	86.50	-	-	-	-	1,55,70,000
(B)	Public	3	24,30,000	-	-	24,30,000	13.50	24,30,000	-	24,30,000	13.50	-	13.50	-	-	-	-	24,30,000
(C)	Non-Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	9	1,80,00,000	-	-	1,80,00,000	100.00	1,80,00,000	-	1,80,00,000	100.00	-	100.00	-	-	-	-	1,80,00,000

\*As on the date of this Draft Red Herring Prospectus 1 Equity Shares holds 1 vote.

Note:

In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Accordingly, our Company have all the shares in dematerialized form.

- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE EMERGE before commencement of trading of such Equity Shares.

2. As on the date of this Draft Red Herring Prospectus, there are no partly paid-up shares/outstanding convertible securities/warrants in our Company.
3. Following are the details of the holding of securities of persons belonging to the category “Promoter and Promoter Group” and public before and after the Issue:

Sr. No.	Name of Shareholders	Pre- Issue		Post Issue	
		No. of equity shares	As a % of Issued Capital	No. of equity shares	As a % of Issued Capital
Promoters					
1	D Prasanna	83,62,493	46.46%	83,62,493	33.48%
2	B Venkateshwarlu	57,00,000	31.67%	57,00,000	22.82%
Total- A		1,40,62,493	78.12%	1,40,62,493	56.30%
Promoter Group					
3	Gowri Manohari D	4,17,007	2.32%	4,17,007	1.67%
4	Vasanth D	3,75,000	2.08%	3,75,000	1.50%
5	Bhagyavathy D	1,87,500	1.04%	1,87,500	0.75%
6	Vasumathi Chokkarapu	5,28,000	2.93%	5,28,000	2.11%
Total- B		15,07,507	8.38%	15,07,507	6.04%
Public					
7	Aparna Samir Thakker	11,97,000	6.65%	11,97,000	4.79%
8	Mukesh Purushottam Chamedia	11,97,000	6.65%	11,97,000	4.79%
9	P Savitha	36,000	0.20%	36,000	0.14%
10	IPO	-	0.00%	69,79,200	27.94%
Total- C		24,30,000	13.50%	94,09,200	37.67%
Grand Total (A+B+C)		1,80,00,000	100.00%	2,49,79,200	100.00%

4. The average cost of acquisition of or subscription to Equity Shares by our Promoter is set forth in the table below:

Name of the Promoter	No. of Shares held	Average Cost of Acquisition* (in ₹)
Mr. D Prasanna	83,62,493	2.33
Mr. B Venkateshwarlu	57,00,000	2.37

*Note: For buildup of capital, please refer note no. 3 on page 70 above.*

*\*As certified by M/s P P N and Company, Chartered Accountants, Statutory Auditors, by way of their certificate dated December 22, 2023 bearing UDIN No. 23238452BGXEED7850.*

5. Details of Major Shareholders:

- A. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Shares	% of paid up capital
1.	D Prasanna	83,62,493	46.46%
2.	B Venkateshwarlu	57,00,000	31.67%
3.	Gowri Manohari D	4,17,007	2.32%
4.	Vasanth D	3,75,000	2.08%
5.	D Bhagyavathy	1,87,500	1.04%



6.	Vasumathi Chokkarapu	5,28,000	2.93%
7.	Aparna Samir Thakker	11,97,000	6.65%
8.	Mukesh Purushottam Chamedia	11,97,000	6.65%

B. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Shares	% of paid up capital
1.	D Prasanna	83,62,493	46.46%
2.	B Venkateshwarlu	57,00,000	31.67%
3.	Gowri Manohari D	4,17,007	2.32%
4.	Vasanth D	3,75,000	2.08%
5.	D Bhagyavathy	1,87,500	1.04%
6.	Vasumathi Chokkarapu	5,28,000	2.93%
7.	Aparna Samir Thakker	11,97,000	6.65%
8.	Mukesh Purushottam Chamedia	11,97,000	6.65%

C. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Shares	% of paid up capital
1.	D Prasanna	28,79,998	16.00%
2.	B Venkateshwarlu	19,20,000	10.67%

- The Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Draft Red Herring Prospectus.
- Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
- Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price except the following.

Sr. No.	Name of Person	Nos. of shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Date of Allotment	Reason for Allotment	Benefit occurred to Issue
1.	D Prasanna	61,32,495	10	Nil	02.11.2023	Bonus Issue	Capitalisation of Reserve
2.	B Venkateshwarlu	41,80,000	10	Nil	02.11.2023	Bonus Issue	
3.	Gowri Manohari D	305,805	10	Nil	02.11.2023	Bonus Issue	
4.	Vasanth D	2,75,000	10	Nil	02.11.2023	Bonus Issue	
5.	Chokkarapu Vasumathi	3,87,200	10	Nil	02.11.2023	Bonus Issue	
6.	D Bhagyavathy	1,37,500	10	Nil	02.11.2023	Bonus Issue	
7.	Aparna Samir Thakker	8,77,800	10	Nil	02.11.2023	Bonus Issue	
8.	Mukesh Purushottam Chamedia	8,77,800	10	Nil	02.11.2023	Bonus Issue	
9.	P Savitha	26,400	10	Nil	02.11.2023	Bonus Issue	



	<b>Total</b>	<b>1,32,00,000</b>				
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9. 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 this Draft Red Herring Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
10. We have 9 (Nine) shareholders as on the date of filing of this Draft Red Herring Prospectus.
11. As on the date of this Draft Red Herring Prospectus, our Promoter and Promoters Group hold total 1,55,70,000 Equity Shares representing 86.50% of the pre-issue paid up share capital of our Company.
12. Except as provided below, none of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the Company which is a promoter of the Company and/or the Directors of the Company have purchased or sold any securities of our Company during the past six months immediately preceding the date of filing this Draft Red Herring Prospectus.

<b>Date of Allotment/ Transfer</b>	<b>Name of Shareholders</b>	<b>Nos. of Equity Share</b>	<b>% of Pre Issue Capital</b>	<b>Subscribed/ Acquire/ Transfer</b>	<b>Category of Allottees (Promoters/ Promoter Group/ Director)</b>
November 02, 2023	Mr. D Prasanna	61,32,495	34.07%	Allotment of Bonus Shares in the ratio of 11:4	Promoter
	Mr. B Venkateshwarlu	41,80,000	23.22%		Promoter
	Mrs. Gowri Manohari D	3,05,805	1.70%		Promoter Group
	Mr. Vasanth D	2,75,000	1.53%		Promoter Group
	Mrs. Chokkarapu Vasumathi	3,87,200	2.15%		Promoter Group
	Mrs. D Bhagyavathy	1,37,500	0.76%		Promoter Group

13. The members of the Promoters 'Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing this Draft Red Herring Prospectus.
14. As of date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
15. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
16. Details of Promoter's Contribution locked in for three years:

As per Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post- Issue Capital shall be considered as Promoter's Contribution.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20.00% of the post-issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

Explanation: The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.

We further confirm that Minimum Promoters' Contribution of 20.00% of the post issue paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoter's Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoter's Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Equity Shares held by our Promoter, which are locked in for a period of three years from the date of Allotment in the Offer are given below:

Number of Equity Shares locked-in	Nature of Allotment/ Transfer	Date of Allotment and Date when made fully paid-up	Face Value (in ₹)	Offer/ Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash/ other than cash)	% of fully diluted post-Offer paid-up capital	Period of lock-in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

*\* Subject to finalisation of Basis of Allotment.*

The Equity Shares that are being locked in are not ineligible for computation of Promoters contribution in terms of Regulation 237 of the SEBI ICDR Regulations. Equity Shares offered by the Promoters for the minimum Promoters contribution are not subject to pledge. Lock-in period shall commence from the date of allotment of Equity Shares in the Public Issue.

We confirm that the minimum Promoters contribution of 20.00% which is subject to lock-in for 3 years does not consist of:



- a) Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- b) Equity Shares acquired during the preceding three years resulting from a bonus issue by utilization of revaluation reserves or Unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters contribution;
- c) Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price;
- d) The Equity Shares held by the Promoters and offered for minimum 20% Promoters Contribution are not subject to any pledge.
- e) Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters Contribution subject to lock-in.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription “Non-Transferable” and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

#### ***Equity Shares locked-in for one year***

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters’ contribution, the promoters and public pre-issue shareholding of Equity Share capital of our Company, *i.e.* [●] Equity Shares shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

#### ***Pledge of Locked in Equity Shares***

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- In case of Minimum Promoters’ Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters’ contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

#### **Transferability of Locked in Equity Shares:**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters’ Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for

the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
17. Our Company, our Promoters, our Directors and the BRLM to this Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
  18. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
  19. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme 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 and Sweat Equity) Regulations, 2021.
  20. There are no safety net arrangements for this public Offer.
  21. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
  22. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% 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 Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
  23. All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
  24. As per RBI regulations, OCBs are not allowed to participate in this Issue.
  25. There is no Buyback, stand by, or similar arrangement by our Company/Promoters/Directors/BRLM for purchase of Equity Shares issued / offered through this Draft Red Herring Prospectus.
  26. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
  27. Investors may note that in case of over-subscription, the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.



28. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and NSE.
29. The Issue is being made through Book Building Method.
30. BRLM to the Issue viz. Share India Capital Services Private Limited and its associates do not hold any Equity Shares of our Company.
31. Our Company has not raised any bridge loan against the proceeds of this Issue.
32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
34. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through this Draft Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
35. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
36. Our Promoters and the members of our Promoter Group will not participate in this Issue.
37. Our Company has not made any public issue since its incorporation.
38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
39. For the details of transactions by our Company with our Promoter Group, Group Companies during period ended October 31, 2023 and last three years ended on March 31, 2023, March 31, 2022 & March 31 2021 Fiscals, please refer to paragraph titled —*Related Party Transaction* in the chapter titled “*Financial Statements*” beginning on page number 190 of this Draft Red Herring Prospectus.

None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page 155 of this Draft Red Herring Prospectus.

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## OBJECTS OF THE ISSUE

The Issue constitutes a public Issue of up to 69,79,200 Equity Shares of our Company at an Issue Price of ₹ [●]/- per Equity Share.

### FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. To Purchase Capital Equipment
2. To Meet Working Capital Requirements
3. General corporate purposes
4. To meet Public Issue Expenses

*(Collectively referred as the “objects”)*

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 Emerge Platform of NSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

We are a dynamic private sector firm involved in the construction of road projects based on Bill of Quantities (BOQ) and Engineering, Procurement, and Construction (EPC) methods. Our Company is engaged in the business of construction and transacts the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, level, decorate, fabricate, reconstruct, renovate, remodel, rebuild all types of infrastructure developmental works, constructions works such as technically complex and high value projects like Express ways, National Highways, Flyovers, Bridges and Viaducts, Irrigation Projects, Urban Development - Civic amenities, Hospitals, warehouses, hotels and other Commercial and Residential Projects. We have in-house capabilities to deliver a project from conceptualization to completion with fast turnaround time from acquisition to launch to completion, which focuses on de-risking and improving return on investment.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

### REQUIREMENTS OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the “**Net Issue Proceeds**”).

The following table summarizes the requirement of funds:

Particulars	Amount (₹ in) Lakhs
Gross Issue Proceeds*	[●]
Less: Public Issue Related Expenses#	[●]
<b>Net Issue Proceeds</b>	<b>[●]</b>

*\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

*# Up to December 15, 2023, Our Company has deployed/incurred expense of ₹ 45.05/- Lakhs towards Issue Expenses duly certified by Statutory Auditor M/s. P P N and Company, Chartered Accountants vide its certificate dated December 22, 2023, bearing UDIN: 23238452BGXEEE7139.*

## UTILIZATION OF NET ISSUE PROCEEDS

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

Sr. No.	Particulars	Amount (₹ in) Lakhs	% of Gross Issue* Proceeds
1.	To Purchase Capital Equipment	1,500.00	[●]
2.	To Meet Working Capital Requirements	3,500.00	[●]
3.	General corporate purposes#	[●]	[●]
<b>Net Issue Proceeds</b>		[●]	[●]

*\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

*#The amount to be utilised for general corporate purposes will not exceed 25% of the gross proceeds.*

## MEANS OF FINANCE

The requirements of the objects detailed above are intended to be funded from the proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or

debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

## DETAILS OF USE OF ISSUE PROCEEDS

### 1. TO PURCHASE CAPITAL EQUIPMENT

On an ongoing basis, we invest in the procurement of capital equipment, which is utilized by us in carrying out our EPC business, based on our order book and the future requirements estimated by our management. We propose to utilize ₹ 1,500.00 lakhs out of the Net Proceeds towards such purchasing capital equipment which includes (i) Road laying equipment, (ii) loading equipment, (iii) batching plant equipment, and (iv) material handling equipment.

While we propose to utilize ₹ 1,500.00 lakhs towards purchasing capital equipment, based on our current estimates, the specific number and nature of such equipment to be procured by our Company will depend on our business requirements and the details of our capital equipment to be procured from the Net Proceeds will be suitably updated at the time of filing of the Red Herring Prospectus with the RoC.

An indicative list of such (i) Road laying equipment, (ii) loading equipment, (iii) batching plant equipment, and (iv) material handling equipment that we intend to purchase, along with details of the quotations we have received in this respect is set forth below.

(Amount in ₹ Lakhs)

Sr. No.	Machinery Types	Make & Model	Unit Price	Quantity	Rate	Supplier Name	Quote Date	Validity
<b>(i) Road Laying Machineries</b>								
1	Sensor Paver 10m	VOGELE Super 1800-3i (10m)	290.00	1	290.00	Wirtgen India Pvt. Ltd.	26-12-23	10-01-24
2	Bitumen Pressure Distributor	Apollo ATM 6000	9.75	1	9.75	Ammann India Pvt. Ltd.	19-12-23	31-03-24
<b>(ii) Loading Machineries</b>								
3	Backhoe Loader	CASE 770EX Plus	30.68	4	122.71	Harshas Solutions Pvt. Ltd.	23-12-23	31-03-24
4	Excavator 260	SANY SY260C	73.31	2	146.61	Santosh Motorss	20-12-23	31-03-24
5	Excavator 350	SANY SY350LC	89.83	1	89.83	Santosh Motorss	20-12-23	31-03-24
<b>(iii) Batching Plant</b>								
6	Asphalt Plant	Apollo ANP 2000	258.01	1	258.03	Ammann India Pvt. Ltd.	19-12-23	31-03-24
<b>(iv) Material Handling Machineries</b>								
7	Tipper	Eicher Pro 6035T BSVI	50.00	5	250.00	Anamallais Agencies	27-12-23	31-03-24



8	Transit Mixer	Eicher Pro 6028TM 9 Cu.m Drum	46.61	8	372.88	Anamallais Agencies	26-12-23	31-03-24
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The quotations in relation to the equipment are valid as on the date of this Draft Red Herring Prospectus. Some of the provided quotations exclude expenses such as freight, insurance, octroi, goods and services tax (where applicable), and other applicable taxes, as these can only be determined when placing orders. Any additional costs will be covered using the Net Proceeds intended for the acquisition of capital equipment or through internal accruals, as needed.

## 2. WORKING CAPITAL REQUIREMENTS:

Our company intends to allocate ₹ 3,500.00 lakhs to meet its working capital needs in the regular course of business. Given our substantial working capital requirements, we typically address these needs through internal accruals. To support the growth of our business, capitalize on opportunities, and meet strategic, business, and corporate goals, additional working capital is necessary. This infusion of funds is anticipated to result in a subsequent increase in both revenues and profitability for our company.

Basis of estimation of working capital requirement and estimated working capital requirement:

(Amount in ₹ Lakhs)

Sr. No.	Particulars	Restated				Estimated for	
		31-Mar-21	31-Mar-22	31-Mar-23	October 31, 2023	F.Y. 2023-24	F.Y. 2024-25
I	<b>Current Assets</b>						
	Inventories	1,590.96	2,424.87	6,083.26	7,489.45	8,533.07	11,287.04
	Trade receivables	1,358.57	1,446.54	952.85	2,114.05	1,854.00	2,105.00
	Cash and Cash Equivalents	333.74	309.02	657.65	88.60	354.54	108.00
	Short Term Loans & Advances	5.32	-	1,343.29	1,212.43	1,084.43	721.25
	Other current assets	254.75	51.02	373.31	224.99	305.00	415.00
	<b>Total (A)</b>	<b>3,543.35</b>	<b>4,231.45</b>	<b>9,410.37</b>	<b>11,129.51</b>	<b>12,131.04</b>	<b>14,636.29</b>
II	<b>Current Liabilities</b>						
	Short Term Borrowings	930.21	1,164.75	2,917.34	3,589.79	3,500.00	3,475.00
	Trade payables	1,680.13	1,615.78	3,381.23	3,817.82	3,578.62	3,193.28
	Other current liabilities	28.10	62.37	165.13	179.24	90.35	125.75
	Short-term provisions	3.57	1.65	359.21	384.54	778.01	1,112.09
	<b>Total (B)</b>	<b>2,642.01</b>	<b>2,844.55</b>	<b>6,822.90</b>	<b>7,971.39</b>	<b>7,946.98</b>	<b>7,906.12</b>
III	<b>Total Working Capital Gap</b>	<b>901.34</b>	<b>1,386.90</b>	<b>2,587.46</b>	<b>3,158.12</b>	<b>4,184.06</b>	<b>6,730.17</b>
IV	<b>Internal Accruals</b>	-	-	-	-	<b>2,884.06</b>	<b>4,530.17</b>
V	<b>IPO Proceeds</b>	-	-	-	-	<b>1,300.00</b>	<b>2,200.00</b>

### Basis of Estimation and Key Assumptions for working capital projections made by Company:

Particulars	31-03-2022	31-03-2023	31-10-2023	31-03-2024(E)	31-03-2025(E)
Inventory (in days)	115	146	210	183	161
Debtors (in days)	80	41	47	45	32

Creditors (in days)	163	109	152	124	81
Other Current Assets	159	290	279	234	203
Other Current Liabilities	122	150	175	147	113
Working Capital Days	79	89	167	95	109

#### Justification:

<b>Inventory</b>	Our Company has maintained an inventory holding period of 115 days for FY 2021-22 and 146 days for FY 2022-23. Our Company considers the holding levels to be 183 days for FY 2023-24 and 161 days for FY 2024-25.
<b>Debtors</b>	The holding levels of trade receivables were 80 days and 41 days for FY 2021-22 and 2022-23 respectively. The decrease in trend is because of the faster realization of payments from customers. Our Company considers the holding levels to be 45 days for FY 2023-24 and 32 days for FY 2024-25
<b>Creditors</b>	Our Company has maintained a holding level of trade payable at 163 days and 109 days for 2021-22 and 2022-23 respectively. and the holding levels are expected to flat at 124 days and 81 days for FY 2023-24 and for FY 2024-25 respectively
<b>Other Financial &amp; Current Assets</b>	Our Company's other financial assets and other current assets include balance with statutory authorities, prepaid expenses, advances to staff, and others. Our Company has maintained holding levels at 159 days for FY 2021-22 and 290 days for FY 2022-23. Our Company expects the holding levels to be 234 days and 203 days in FY 2023-24 and FY 2024-25 respectively. The slight increase in the holding levels are due to the projected increase in business.
<b>Other Financial &amp; Current Liabilities</b>	It includes payable to employees, statutory liabilities, advance revenue, advance from customers, provision for gratuity and current tax liabilities (net). The Company has maintained the holding levels at 122 days for FY 2021-22 and 150 days for FY 2022-23. Our Company expects the holding level to be 147 days and 113 days in FY 2023-24 and FY 2024-25 respectively. This increase in the estimated trend is owing to the projected increase in operational expenses.
<b>Working Capital</b>	Our Company has maintained a holding level of working capital at 79 days and 89 days for 2021-22 and 2022-23 respectively. and the holding levels are expected to flat at 95 days and 109 days for FY 2023-24 and for FY 2024-25 respectively

### 3. GENERAL CORPORATE PURPOSE:

We propose to utilize ₹ [●] Lakhs of the Net Proceeds towards general corporate purposes as approved by the Board, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross proceeds Issue Proceeds, in compliance with the SEBI ICDR Regulations, including but not limited or restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### 4. ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

Expenses	Expenses (₹ in Lakh)	Expenses (% of Total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Lead Manger Fees including Underwriting Commission	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable Advertising, Marketing Expenses and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for Two Years)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	[●]	<b>100.00</b>	[●]

**Notes:**

1. Up to December 15, 2023, Our Company has deployed/incurred expense of ₹ 45.05/- Lakhs towards Issue Expenses duly certified by Statutory Auditor M/s. P P N and Company, Chartered Accountants vide its certificate dated December 22, 2023, bearing UDIN: 23238452BGXEEE7139.
2. Any expenses incurred towards aforesaid issue related expenses during the period till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.
3. ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular) - Rs 10/- per application on wherein shares are **allotted**.
4. Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them) – Rs. 10/- per application on wherein shares are **allotted**.
5. Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank - Rs 10/- per application on wherein shares are **allotted**.
6. Sponsor Bank shall be payable processing fees on UPI application processed by them - Rs [●] per application on wherein shares are **allotted**.
7. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
8. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
9. Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.
10. Offer Expenses other than the listing fees shall be shared among our Company and the Selling Shareholder on a pro rata basis, in proportion to the Equity Shares **Allotted**.



## SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Sr. No.	Particulars	Amount to be funded from the Net Issue Proceeds (₹ in Lakhs)	Expenses incurred till October 31, 2023 (₹ in Lakhs)	Estimated Utilization of Net Proceeds (₹ in Lakhs) (Upto Financial year 2023-24)*	Estimated Utilization of Net Proceeds (₹ in Lakhs) (Upto Financial year 2024-25)*
1.	To Purchase Capital Equipment	1,500.00	[•]	[•]	[•]
2.	To Meet Working Capital Requirements	3,500.00	[•]	[•]	[•]
3.	General Corporate Purpose	[•]	[•]	[•]	[•]
4.	Issue Expenses**	[•]	45.05	[•]	[•]

\*Figures are tentative

\*\*As per the certificate dated December 22, 2023, given by Statutory Auditor of the company, M/s, P P N and Company, Chartered Accountants, the company has incurred a sum of ₹ 45.05 lakhs towards the issue expenses.

## APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

## INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investments in equity and/or real estate products and/or equity linked and/or real estate linked products.

## MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such



amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Draft 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.

## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, 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 through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoter or controlling Shareholders will 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**

No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

*This space has been intentionally left blank*

## 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 Statement” beginning on page 26, 114 and 190 respectively of the Draft Red Herring Prospectus to get a more informed view before making the investment decision. The issue price has been determined by the issuer in consultation with the Book Running Book Running Lead Manager. The financial data presented in this section are based on our Company’s Restated Financial Statements.

### QUALITATIVE FACTORS

For details of qualitative factors, please refer to the paragraph “*Our Competitive Strengths*” in the chapter titled “*Our Business*” beginning on page no. 114 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price are as follows:

#### 1. Standalone and Consolidated Basic & Diluted Earnings Per Share (EPS), as adjusted for change in capital:

##### Standalone:

Financial Year	Basic & Diluted EPS ₹	Weight
2022-23	6.40	3
2021-22	2.22	2
2020-21	1.26	1
<b>Weighted Average EPS</b>	<b>4.15</b>	<b>6</b>
<b>For the period ended on October 31, 2023*</b>	4.63	

*\*Not Annualised*

##### Consolidated:

Financial Year	Basic & Diluted EPS ₹
2022-23	6.70
<b>For the period ended on October 31, 2023*</b>	4.75

*\*Not Annualised*

##### Note:

*The ratios have been computed as under:*

- a) *Basic and diluted EPS: profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding during the period. Basic and diluted EPS are computed in accordance with AS 20 – Earnings per share post the bonus issue in current financial year;*
- b) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights*



**2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [•] per Equity Share of face value ₹ 10/- each fully paid up.**

$$\text{Price to Earning Ratio (P/E)} = \frac{\text{Issue Price}}{\text{Restated Earnings Per Share}}$$

Sr. No.	Particulars	P/E Ratio
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-2023 (consolidated)	[•]
2	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-2023 (standalone)	[•]
3	P/E ratio based on the Weighted Average EPS (standalone)	[•]

**Industry P/E**

Highest	[•]
Lowest	[•]
Average	[•]

**3. Return on Net Worth (RONW)**

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Standalone Profit After Tax}}{\text{Net Worth}} * 100$$

Financial Year	Return on Net Worth (%)	Weight
2022-23	46.18%	3
2021-22	29.73%	2
2020-21	33.08%	1
Weighted Average EPS	38.51%	6
For the period ended on October 31, 2023	25.05%	

**4. Net Asset Value per Equity Share**

$$\text{Restated Net Assets Value per Equity (₹)} = \frac{\text{Restated Net Worth at the end of the year}}{\text{Number of Equity Shares Outstanding}}$$

**Standalone:**

As at	NAV per share ₹
March 31, 2023 (bonus adjusted)	13.87
March 31, 2022 (bonus adjusted)	7.46
March 31, 2021 (bonus adjusted)	3.80
October 31, 2023 (bonus adjusted)	18.50
NAV after Issue – at Cap Price	[•]
NAV after Issue – at Floor Price	[•]
Issue Price	[•]

**Consolidated:**

As at	NAV ₹
March 31, 2023 (bonus adjusted)	14.16
October 31, 2023 (bonus adjusted)	18.92

## 5. Comparison with industry peers

Name of the company	Standalone / Consolidated	Face Value (₹)	Current Market Price (₹)**	EPS (₹) Basic	P/E Ratio ***	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in Lakhs)
AVP Infracon Limited	Consolidated	10.00	[●]	6.40	[●]	46.18%	13.87	10,633.56
<b>Peer Group*</b>								
Udayshivakumar Infra Limited	Standalone	10.00	47.30	4.37	10.82	11.11%	26.05	28,689.81
Rachana Infrastructure Limited	Standalone	10.00	88.95	1.22	73.16	2.51%	48.50	6,351.67
H.G. Infra Engineering Limited	Consolidated	10.00	851.9	75.68	11.26	25.66%	94.90	4,62,200.8

\*Sourced from Annual Reports, Audited financials for financial year ended March 31, 2023

\*\*Current Market Price is taken as closing on January 05, 2024.

\*\*\*We have calculated P/E Ratio by dividing the Current Market Price on January 05, 2024 and EPS as on March 31, 2023.

6. 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.

The Issue Price of ₹ [●]/- is determined by our Company in consultation with the Book Running Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled “Risk Factors” and chapters titled “Our Business” and “Financial Statements” beginning on page nos. 26, 114 and 190 respectively of this Draft Red Herring Prospectus.

## KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIS”)

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated Financial Statements. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 22, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to the 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 the Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. For P P N and Company, Chartered Accountants by their certificate dated December 22, 2023 having UDIN: 23238452BGXEEA2322.

The KPIs of our Company have been disclosed in the sections “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” starting on pages 114 and 261, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning on page 2.

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 utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Issue Price.

1. Key metrics like growth, EBIDTA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basic for evaluating the overall performance of our Company.

#### *Standalone KPI indicators*

*(Amount in ₹ lakhs, except EPS, % and ratios)*

Particulars	For the period ended Oct 31, 2023	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Revenue from operations <sup>(1)</sup>	6,918.69	10,633.56	6,388.85	5,799.76
Growth in Revenue from Operations <sup>(2)</sup>	-	66.44%	10.16%	-
EBITDA <sup>(3)</sup>	1,484.17	2,028.41	1,024.85	595.45
EBITDA (%) Margin <sup>(4)</sup>	21.45%	19.08%	16.04%	10.27%
EBITDA Growth Period on Period <sup>(5)</sup>	-	97.92%	72.11%	-
ROCE (%) <sup>(6)</sup>	22.63%	37.04%	25.94%	20.85%
Current Ratio <sup>(7)</sup>	1.4	1.38	1.49	1.34
Operating Cash flow <sup>(8)</sup>	(490.63)	(869.79)	139.27	(130.50)
PAT <sup>(9)</sup>	834.27	1,152.63	399.43	226.3
ROE/ RONW <sup>(10)</sup>	25.05%	46.18%	29.73%	33.08%
EPS <sup>(11)</sup> (before considering bonus)	4.63	24.01	8.32	22.63
EPS <sup>(11)</sup> (after considering bonus)	4.63	6.40	2.22	1.26

#### *Consolidated KPI indicators*

*(Amount in ₹ lakhs, except EPS, % and ratios)*

Particulars	For the period ended Oct 31, 2023	Financial Year ended March 31, 2023
Revenue from operations <sup>(1)</sup>	7,405.33	11,498.08
Growth in Revenue from Operations <sup>(2)</sup>	-	-
EBITDA <sup>(3)</sup>	1,734.98	2,286.51
EBITDA (%) Margin <sup>(4)</sup>	23.43%	19.89%
EBITDA Growth Period on Period <sup>(5)</sup>	-	-
ROCE (%) <sup>(6)</sup>	23.74%	37.71%
Current Ratio <sup>(7)</sup>	1.29	1.28
Operating Cash flow <sup>(8)</sup>	(618.12)	(963.37)
PAT <sup>(9)</sup>	867.12	1,214.61

<b>ROE/ RONW<sup>(10)</sup></b>	25.13%	47.27%
<b>EPS<sup>(11)</sup> (before considering bonus)</b>	4.75	25.11
<b>EPS<sup>(11)</sup> (after considering bonus)</b>	4.75	6.70

**Notes:**

<sup>(1)</sup> Revenue from operations is the total revenue generated by our Company.

<sup>(2)</sup> Growth in Revenue in percentage, Year on Year

<sup>(3)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

<sup>(4)</sup> EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(5)</sup> EBITDA Growth Rate Year on Year in Percentage

<sup>(6)</sup> ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term debt

<sup>(7)</sup> Current Ratio: Current Asset over Current Liabilities

<sup>(8)</sup> Operating Cash Flow: Net cash inflow from operating activities.

<sup>(9)</sup> PAT is mentioned as PAT for the period

<sup>(10)</sup> ROE/RONW is calculated PAT divided by shareholders' equity

<sup>(11)</sup> EPS is mentioned as EPS for the period

<b>KPI</b>	<b>Explanation</b>
<b>Revenue from operation</b>	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.
<b>Revenue Growth Rate %</b>	Revenue Growth rate informs the management of annual growth rate in revenue of the company in consideration to previous period
<b>EBITDA</b>	EBITDA provides information regarding the operational efficiency of the business
<b>EBITDA Margin (%)</b>	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
<b>EBITDA Growth Rate %</b>	EBITDA Growth Rate informs the management of annual growth rate in EBITDA of company in consideration to previous period
<b>ROCE %</b>	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
<b>Current Ratio</b>	Current ratio indicate the company's ability to bear its short term obligations
<b>Operating Cash Flow</b>	Operating cash flow shows whether the company is able to generate cash from day to day business
<b>PAT</b>	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
<b>ROE/RONW</b>	It is an indicator that shows how much the company is generating from its available shareholders' funds
<b>EPS</b>	Earning per share is the company's earnings available of one share of the Company for the period

## 2. GAAP Financial Measures

GAAP Financial measures are numerical measures that are disclosed by the issuer company in accordance with the Generally Accepted Accounting Principles (GAAP) applicable for the issuer company i.e., measures disclosed in accordance with Indian Accounting Standards ("Ind AS") or Accounting Standards ("AS")





notified in accordance with Section 133 of the Companies Act, 2013, as amended (the “Act”). These measures are generally disclosed in the financial statements of the issuer company.

**On the basis of Restated standalone financial statements.**

(₹ lakhs)

Particulars	For the period ended Oct 31, 2023	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Revenue from operations	6,918.69	10,633.56	6,388.85	5,799.76
Profit after tax	834.27	1,152.63	399.43	226.30
Cash flow from operating activities	(490.63)	(869.79)	139.27	(130.50)
Cash Flow from investing activities	(788.90)	(727.59)	(583.08)	(1,168.49)
Cash Flow from financing activities	710.48	1,946.01	419.09	1,336.90
Net Change in Cash and cash equivalents	88.60	657.66	309.02	333.74

**On the basis of Restated consolidated financial statements**

(₹ lakhs)

Particulars	For the period ended Oct. 31, 2023	Financial Year ended March 31, 2023
Revenue from operations	7,405.33	11,498.08
Profit after tax	867.12	1,214.61
Cash flow from operating activities	(618.12)	(963.37)
Cash Flow from investing activities	(704.66)	(942.56)
Cash Flow from financing activities	576.71	2,412.58
Net Change in Cash and cash equivalents	140.62	886.68

### 3. Non- GAAP Financial measures

Non-GAAP Financial measures are numerical measures of the Technical Guide on Disclosure and Reporting of KPIs issuer company’s historical financial performance, financial position, or cash flows that:

- Exclude amounts, or are subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measures calculated and presented in accordance with GAAP in the financial statements of the issuer company; or
- Include amounts or are subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measures so calculated and presented. Such adjustment items should be based on the audited line items only, which are included in the financial statements. These Non-GAAP Financial measures are items which are not defined under Ind AS or AS, as applicable. Generally, if the issuer company takes a commonly understood or defined GAAP amount and removes or adds a component of that amount that is also presented in the financial statements, the resulting amount is considered a Non-GAAP Financial measure. As a simplified example, if the issuer company discloses net income less restructuring charges and loss on debt extinguishment (having determined all amounts in accordance with GAAP), the resulting performance amount, which may be labelled “Adjusted Net Income,” is a Non-GAAP Financial measure.

**On the basis of Restated Standalone financial statements**

*(in ₹ lakhs, except %)*

Particulars	For the period ended Oct 31, 2023	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
EBITDA	1,484.17	2,028.41	1,024.85	595.45
Total Revenue	7,005.13	10,715.40	6,402.50	5,817.80
Adjusted PAT	834.27	1,152.63	399.43	226.3
Gross margin	27.78%	24.57%	22.14%	20.43%
Adjusted EBITDA margin *	21.19%	18.93%	16.01%	10.24%
Working capital	3,158.12	2,587.47	1,386.90	901.34
Adjusted PAT Margin **	11.91%	10.76%	6.24%	3.89%
Net worth	3,330.28	2,496.14	1,343.50	684.07

**On the basis of Restated Consolidated financial statements**

*(in ₹ lakhs, except %)*

Particulars	For the period ended Oct 31, 2023	Financial Year ended March 31, 2023
EBITDA	1,734.98	2,286.51
Adjusted revenues	7,411.90	11,550.09
Adjusted PAT	867.12	1,214.61
Gross margin	30.22%	26.65%
EBITDA margin *	23.41%	19.80%
Working capital	2,958.13	2,452.62
PAT Margin *	11.70%	10.52%
Net worth	3,405.31	2,549.66

Apart from the above, Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, has issued certain amendments to the Schedule III to the Act. Pursuant to these amendments, the below ratios are also required to be presented in the financial statements of the companies.

**On the basis of Restated Standalone financial statements**

Particulars	For the period ended Oct 31, 2023	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Current ratio	1.4	1.38	1.49	1.34
Debt-equity ratio	1.96	2.2	2.36	3.95
Inventory turnover ratio	1.02	2.5	3.18	4.05
Trade receivables turnover ratio	4.51	8.86	4.56	7.78
Trade payables turnover ratio	1.41	3.36	2.24	3.12
Net capital turnover ratio	2.37	5.54	6.3	11.25
Net profit ratio	12.06%	10.84%	6.25%	3.90%
Return on equity ratio	25.05%	46.18%	29.73%	33.08%
Return on capital employed	22.42%	36.70%	25.57%	20.59%



**On the basis of Restated Consolidated financial statements**

Particulars	For the period ended Oct 31, 2023	Financial Year ended March 31, 2023
<b>Current ratio</b>	1.29	1.28
<b>Debt-equity ratio</b>	2.34	2.70
<b>Inventory turnover ratio</b>	NA	NA
<b>Trade receivables turnover ratio</b>	NA	NA
<b>Trade payables turnover ratio</b>	NA	NA
<b>Net capital turnover ratio</b>	2.50	4.69
<b>Net profit ratio</b>	11.56%	10.48%
<b>Return on equity ratio</b>	25%	46%
<b>Return on capital employed</b>	23%	36%

Ratio	Explanation
<b>Current Ratio</b>	Current Assets divided by Current Liabilities
<b>Debt-equity ratio</b>	Long Term Debt divided by Net Worth
<b>Debt service coverage ratio</b>	EBIT divided by Total Debt + Finance Cost
<b>Inventory turnover ratio</b>	Company only has consumables and spares in inventory
<b>Trade receivables turnover ratio</b>	Revenue from Operations divided by Closing Debtors
<b>Trade payables turnover ratio</b>	Total Operating Expenses divided by Closing Creditors
<b>Net capital turnover ratio</b>	Revenue from Operations divided by Working Capital
<b>Net profit ratio</b>	Profit after Tax divided by Revenue from Operations
<b>Return on equity ratio</b>	Profit after Tax divided by Net Worth
<b>Return on capital employed</b>	EBIT divided by Net worth Plus Long Term Debt

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#### 4. Comparison of KPI with listed industry peers

(Amount in ₹ lakhs, except %)

Particulars	AVP INFRACON LIMITED				H.G. INFRA ENGINEERING LIMITED			RACHANA INFRASTRUCTURE LIMITED			UDHAYSHIVKUMAR LIMITED		
	Oct 31, 2023	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	6,918.69	10,633.56	6,388.85	5,799.76	44,185.36	36,151.93	25,349.20	6,351.67	6,319.82	10,379.06	28,689.81	18,562.92	21039.67
Growth in Revenue from Operations <sup>(2)</sup>	(34.94%)	66.44%	10.16%	54.05%	22.22%	42.62%	15.43%	0.50%	(39.11%)	(32.77%)	54.55%	(11.77%)	128.18%
EBITDA <sup>(3)</sup>	1,484.17	2,028.41	1,024.85	595.45	7,283.61	5,925.49	4,260.98	773.69	892.19	1,263.46	2,670.32	2,090.92	2343.11
EBITDA (%) Margin <sup>(4)</sup>	21.45%	19.08%	16.04%	10.27%	16.48%	16.39%	16.81%	12.18%	14.12%	12.17%	9.31%	11.26%	11.14%
EBITDA Growth Period on Period <sup>(5)</sup>	(26.83)%	97.93%	72.11%	(18.22)%	22.92%	39.06%	19.68%	(13.28%)	(29.38%)	(40.38%)	27.71%	(10.76%)	179.34%
ROCE (%) <sup>(6)</sup>	22.63%	37.04%	25.94%	20.85%	28.00%	30.00%	26.00%	5.80%	9.60%	14.28%	9.99%	18.23%	15.76%
Current Ratio <sup>(7)</sup>	1.4	1.38	1.49	1.34	1.36	1.79	1.45	4.66	1.76	2.27	1.62	1.05	1.67
Operating Cash Flow <sup>(8)</sup>	(490.63)	(869.79)	139.27	(130.50)	(1,393.23)	(3,217.96)	705.52	(789.89)	(199.89)	(350.54)	1,994.46	3,165.41	1,410.82
PAT <sup>(9)</sup>	834.27	1,152.63	399.43	226.3	4,931.91	3,800.36	941.58	226.21	220.77	470.00	1,602.64	1,236.62	1,044.98
ROE/ RONW <sup>(10)</sup>	25.05%	46.18%	29.73%	33.08%	25.66%	26.47%	8.86%	2.51%	4.42%	9.12%	11.11%	19.86%	20.94%
EPS <sup>(11)</sup>	4.63	6.40	2.22	1.26	75.68	58.31	36.31	1.22	1.19	8.94	4.37	3.39	2.86

\*\*All the information for listed industry peers mentioned above are on a standalone basis and is sourced from their respective audited/ unaudited financial results and/or annual report

Notes:

- (1) Total Income includes Revenue from Operations and Other Income as appearing in the Restated Financial Statements/ Annual Reports of the respected companies
- (2) Growth in Total Income (%) is calculated as Total Income of the relevant period minus Total Income of the preceding period, divided by Total Income of the preceding period
- (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost
- (4) EBITDA Margin' is calculated as EBITDA divided by Total Income
- (5) EBITDA Growth Rate is calculated period on period
- (6) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term debt
- (7) Current Ratio: Current Asset over Current Liabilities
- (8) Operating Cash Flow: Net cash inflow from operating activities.
- (9) PAT is mentioned as PAT for the period
- (10) ROE/ RONW is calculated PAT divided by shareholders' equity
- (11) EPS is mentioned as EPS for the period; EPS of AVP Infracon Limited is adjusted for Bonus Shares.



## 5. Weighted average cost of acquisition

### (a) The price per share of our Company based on the primary/ new issue of shares

The details of the Equity Shares excluding shares issued under ESOP/ESOS and issuance of bonus shares during the 18 months preceding the date of this draft red-herring prospectus where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (*calculated based on the pre-issue capital before such transaction*), in a single transaction or multiple transactions combined together over a span of rolling 30 days; and

Date of allotment	No. of equity shares allotted	Face value	Issue price	Issue price (Adjusted for Bonus Shares)	Nature of allotment	Nature of consideration	Total consideration (in ₹)
NIL							

### (b) The price per share of our Company based on the secondary sale/ acquisition of 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), 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) Weighted average cost of acquisition, floor price and cap price:

Type of transaction	Weighted average cost of acquisition (₹ per equity shares)	Weighted average cost of acquisition after Bonus shares adjustment (₹ per equity shares)	Floor Price	Cap Price
Weighted average cost of primary / new issue acquisition	NIL	NIL	[●]	[●]
Weighted average cost of secondary acquisition	NIL	NIL	[●]	[●]

\*Calculated for last 18 months

\*\*Calculated for Transfer of Equity Shares.

## 6. Explanation for Offer Price / Cap Price being [●] times and [●] times price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (d) above) in view of the external factors which may have influenced the pricing of the Offer.

Not Applicable.



## STATEMENT OF TAX BENEFITS

### Independent Auditor's Report on Statement of Special Tax Benefits

To,

The Board of Directors,

**AVP Infracon Limited**

(formerly Known as AVP Infracon Private Limited & AVP Constructions Private Limited)

Plot No. E-30, Second Floor, IInd Avenue, Besant Nagar,

Chennai, Tamil Nadu- 600090

Dear Sir/ Madam,

**Sub: Statement of possible Special tax benefit ('the Statement') available to AVP Infracon Limited and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

1. We hereby confirm that the enclosed Annexure I, prepared by AVP Infracon Limited ('the Company'), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including 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 "Taxation Laws"), the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, available to the Company, its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor



is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.

4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. We do not express any opinion or provide any assurance as to whether
  - i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been met with; and
  - iii) the revenue authorities courts will concur with the views expressed herein.
6. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the company and on the basis of their understanding of the business activities and operations of the company.
7. No assurance is given that the revenue authorities / Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
8. 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.
9. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**FOR M/S P P N AND COMPANY,  
CHARTERED ACCOUNTANTS  
FRN: 013623S**

**Sd/-**

**R. Rajaram**

**PARTNER**

**MEMBERSHIP NO. 238452**

**UDIN: 23238452BGXEEF9082**

**Place: Chennai**

**Date: 22-12-2023**





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

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

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the Taxation Laws.

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the Taxation Laws.

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

We hereby give our consent to include our above referred opinion regarding the special tax benefits available to the Company, to its shareholders in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.

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## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue have independently verified this information provided in this section. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL ECONOMIC OVERVIEW

Global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. For advanced economies, the expected slowdown is from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024, amid stronger-than-expected US momentum but weaker-than-expected growth in the euro area. Emerging market and developing economies are projected to have growth modestly decline, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, with a downward revision of 0.1 percentage point in 2024, reflecting the property sector crisis in China. Forecasts for global growth over the medium term, at 3.1 percent, are at their lowest in decades, and prospects for countries to catch up to higher living standards are weak. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024. But the forecasts for 2023 and 2024 are revised up by 0.1 percentage point and 0.6 percentage point, respectively, and inflation is not expected to return to target until 2025 in most cases.

Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of prepandemic projections, especially in emerging markets and developing economies. The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its prepandemic path. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about 4.2 percent, compared with prepandemic predictions. Other emerging markets and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent.

### INFLATION

Global headline inflation has more than halved, from its peak of 11.6 percent in the second quarter of 2022 to 5.3 percent in the second quarter of 2023. About four-fifths of the gap between the 2022 peak and the prepandemic annual average level of 3.5 percent has closed. Among major economies, headline inflation in the second quarter of 2023 ranged from –0.1 percent in China to 2.8 percent in the euro area and 2.7 percent in the United States. A fall in energy prices and—to a lesser extent—in food prices has driven the decline in headline inflation. Notwithstanding a rebound in July, crude oil prices have declined during 2023 and are well below their June 2022 peak, on the back of lower global demand partly driven by tighter global monetary policy affecting activity. Natural gas prices also remain well below their 2022 peak, reflecting ample storage and supplies from Norway and northern Africa. Food prices have declined modestly in 2023, with lower

demand offset by supply reductions, notably those resulting from Russia's withdrawal from the Black Sea Grain Initiative in July, which reduced the supply of wheat to the global market. The normalization of supply chains has further contributed to the decline in headline inflation in most countries.

## GROWTH IN EMERGING ECONOMIES

Growth in emerging and developing Asia is projected to rise from 4.5 percent in 2022 to 5.2 percent in 2023, then to decline to 4.8 percent in 2024, with downward revisions of 0.1 percentage point and 0.2 percentage point for 2023 and 2024, respectively, compared with July projections.

**Growth in China:** - The revision reflects a lower forecast for China, which is revised downward by 0.2 percentage point for 2023 and by 0.3 percentage point for 2024 to growth of 5.0 percent in 2023 and 4.2 percent in 2024. With the property market crisis in that country, lower investment is the main contributor to the revision.

**Growth in India:** - Growth in India is projected to remain strong, at 6.3 percent in both 2023 and 2024, with an upward revision of 0.2 percentage point for 2023, reflecting stronger-than-expected consumption during April-June.

(Source: <https://www.imf.org/-/media/Files/Publications/WEO/2023/October/English/text.ashx>)

## INDIAN ECONOMIC OVERVIEW

According to the report by the World Bank, India was one of the fastest growing major economies in FY 2022-23 at 7.2%. India's growth rate was the second highest among G20 countries and almost twice the average for emerging market economies. This resilience was underpinned by robust domestic demand, strong public infrastructure investment and a strengthening financial sector.

Robust economic expansion during the initial quarter of the fiscal year 2023 enabled India to surpass the United Kingdom, securing its position as the fifth-largest global economy, having successfully rebounded from the adverse effects of the COVID-19 pandemic. According to the World Bank's Industrial Development Update, it is expected that the global headwinds will continue to persist and intensify due to high global interest rates, geopolitical tensions, and sluggish global demand. In this context, the World Bank forecasts India's GDP growth for FY 2023-24 to be 6.3%.

Indicator	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26
<i>(percent y-o-y growth, unless otherwise specified)</i>						
<b>Real GDP Growth, at constant market prices</b>	-5.8	9.1	7.2	6.3	6.4	6.5
Private Consumption	-5.2	11.2	7.5	5.9	6.0	6.4
Government Consumption	-0.9	6.6	0.1	4.1	5.1	5.8
Gross Fixed Capital Formation	-7.3	14.6	11.4	8.9	7.8	7.3
Exports, Goods and Services	-9.1	29.3	13.6	0.9	6.7	8.2
Imports, Goods and Services	-13.7	21.8	17.1	3.0	7.2	8.7
<b>Real GDP Growth, at constant factor prices</b>	-4.2	8.8	7.0	6.3	6.4	6.5
Agriculture	4.1	3.5	4.0	3.5	3.6	3.7
Industry	-0.9	11.6	4.4	5.7	6.4	6.4
Services	-8.2	8.8	9.5	7.4	7.2	7.3
<b>Inflation (Consumer Price Index)</b>	6.2	5.5	6.7	5.9	4.7	4.1
<b>Current Account Balance</b> <i>(percent of GDP)</i>	0.9	-1.2	-2.0	-1.4	-1.2	-1.6
<b>Net Foreign Direct Investment</b> <i>(percent of GDP)</i>	1.6	1.2	0.8	1.1	1.4	1.5
<b>Fiscal Balance</b> <i>(percent of GDP)</i>	-12.6	-9.6	-9.0	-8.7	-8.1	-7.9
<b>Debt</b> <i>(percent of GDP)</i>	89.3	84.8	82.9	82.9	82.5	82.4
<b>Primary Balance</b> <i>(percent of GDP)</i>	-7.2	-4.4	-3.9	-3.3	-2.7	-2.5

(Source: <https://www.ibef.org/economy/indian-economy-overview>,  
<https://www.worldbank.org/en/news/press-release/2023/10/03/india-s-growth-to-remain-resilient-despite-global-challenges>)



## INDIAN ECONOMIC GROWTH DRIVERS

According to Economic Survey 2022-23, India's economic growth in FY23 has been principally led by private consumption and capital formation and they have helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund.

The Survey identifies various positive factors contributing to India's growth prospects:

- (i) **Limited global fallout from Covid-19 surge in China:** The world has experienced limited health and economic consequences from the recent surge in Covid-19 infections in China. This has allowed for the continued normalization of global supply chains, benefitting India's economic outlook.
- (ii) **Inflationary impulses from China's reopening:** The world has experienced limited health and economic consequences from the recent surge in Covid-19 infections in China. This has allowed for the continued normalization of global supply chains, benefitting India's economic outlook.
- (iii) **Recessionary tendencies in major advanced economies:** Economic downturns in major Advanced Economies (AEs) have prompted a cessation of monetary tightening, leading to an influx of capital flows into India. This is facilitated by India's stable domestic inflation rate, which remains below 6%.
- (iv) **Enhanced Private Sector Investment:** These favorable conditions have sparked an improvement in business sentiment and investment sentiment, providing further impetus to private sector investment.

The Survey reports robust credit growth to the Micro, Small, and Medium Enterprises (MSME) sector, averaging over 30.6% during the period from January to November 2022. This impressive growth is underpinned by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) initiated by the Union government, which has supported the financial needs of small and medium-sized enterprises.

Another substantial contributor to India's economic growth in FY23 has been the significant increase in the capital expenditure (Capex) of the central government. The Capex rose by an impressive 63.4% during the first eight months of the fiscal year. This uptick in government spending has acted as a catalyst for private sector Capex since the January-March quarter of 2022, effectively stimulating economic activity.

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1894932> )

## INDIAN INDUSTRIAL OUTPUT

During the fiscal year 2022-23 (FY23), India's industrial production demonstrated remarkable resilience, primarily fueled by robust domestic demand. The availability of bank credit, including significant support to Micro, Small, and Medium Enterprises (MSMEs) through the Emergency Credit Line Guarantee Scheme (ECLGS), played a crucial role in sustaining this growth trend. While foreign direct investment (FDI) in the manufacturing sector experienced a temporary slowdown in the first half of FY23 due to global uncertainties, India's structural reforms and business-friendly environment kept it an attractive FDI destination. Falling international commodity prices alleviated input cost pressures, supporting healthy profit margins. Moreover, increasing capacity utilization in the manufacturing sector is encouraging new investments aimed at

expanding production capabilities. Government initiatives like the Production-Linked Incentive (PLI) schemes are set to further boost manufacturing capacity, exports, and job creation. However, challenges such as a potential global economic slowdown, fluctuating commodity prices, and supply chain disruptions loom on the horizon. Despite these uncertainties, the Indian industrial output is expected to maintain a steady growth trajectory, driven by its resilient domestic demand.

(Source: [www.indiabudget.gov.in](http://www.indiabudget.gov.in) )

## INFLATION DATA

According to the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), the CPI inflation increases to 6.52% in January 2023 as compared to 5.72% in December 2022. The CPI inflation for rural and urban areas for the month of January 2023 is 6.85% and 6.00% respectively.

**All India year-on-year inflation rates (%) based on CPI (General) and CFPI: September 2023 over September 2022**

		Sep. 2023 (Prov.)			Aug. 2023 (Final)			Sep. 2022		
		Rural	Urban	Combd.	Rural	Urban	Combd.	Rural	Urban	Combd.
Inflation	CPI (General)	5.33	4.65	5.02	7.02	6.59	6.83	7.56	7.27	7.41
	CFPI	6.65	6.35	6.56	9.67	10.42	9.94	8.53	8.77	8.60
Index	CPI (General)	185.8	182.2	184.1	187.6	184.5	186.2	176.4	174.1	175.3
	CFPI	186.0	192.5	188.3	189.4	198.2	192.5	174.4	181.0	176.7

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

## UNEMPLOYMENT LEVEL

Unemployment remains a pressing concern in India, with fluctuations observed across different regions and sectors. According to the recent data referenced from the Centre for Monitoring Indian Economy (CMIE) for July, the overall unemployment rate in India is 7.95 percent as of July 2023. Furthermore, as per the latest Periodical Labour Force Survey, the unemployment rate in the urban areas for 15-year-olds and above people decreased by one percent as compared to last year. It stands at 6.6 percent in April-June 2023, which was 7.6 percent earlier.

*Historical unemployment rates in India*

Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Unemployment Rate (%)	10.05 (in October)	7.33	5.98	8.00	5.27	5.33	5.36	5.42	5.44	5.44

(Source: <https://www.forbesindia.com/article/explainers/unemployment-rate-in-india/87441/1#:~:text=The%20Current%20Unemployment%20Rate%20in%20India%3A&text=It%20stands%20at%206.6%20percent,significant%20in%20economic%20conditions.> )

## EXPORT AND IMPORT

India's total exports for October 2023 are approximated at \$62.26 billion, marking a rise of 9.43% compared to the \$56.90 billion recorded in October 2022. In October 2023, the export of goods saw an uptick of 6.21%, reaching \$33.57 billion, up from \$31.60 billion in the same period the previous year. Projections for service exports from April to October 2023 stand at \$192.65 billion, indicating a growth rate of 6.22% in contrast to the



\$181.37 billion reported for April to October 2022. The overall trade deficit for April to October has decreased by 35.86%, decreasing from \$89.86 billion in 2022 to \$57.64 billion in 2023. The merchandise trade deficit has also improved, dropping from \$167.14 billion in April-October 2022 to \$147.07 billion in April-October 2023. Non-petroleum and non-Gems & Jewellery exports have surged by 11.74%, climbing from \$21.99 billion in October 2022 to \$24.57 billion in October 2023. Key contributors to export growth in October 2023 encompass Drugs & Pharmaceuticals, Engineering Goods, Electronic Goods, Cotton Yarn/Fabs./made-ups, Handloom Products, Iron Ore, Ceramic products & glassware, and Meat, dairy & poultry products. Drug and pharmaceutical exports have soared by 29.31% in October 2023, reaching \$2.42 billion, up from \$1.87 billion in October 2022. Engineering Goods exports have seen a growth of 7.2%, rising from \$7.55 billion in October 2022 to \$8.09 billion in October 2023. Additionally, Electronic Goods exports have experienced a substantial growth of 28.23%, reaching \$2.38 billion in October 2023 compared to \$1.85 billion in October 2022.

(Source:

[https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1977061#:~:text=India's%20overall%20exports%20\(Merchandise%20and,per%20cent%20over%20October%202022.](https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1977061#:~:text=India's%20overall%20exports%20(Merchandise%20and,per%20cent%20over%20October%202022.) )

## MARKET SIZE

In the financial year 2022, India's total economic output, known as the nominal Gross Domestic Product (GDP) at current market prices, is estimated to be around US\$ 3.31 trillion (equivalent to approximately Rs. 272.41 trillion). Furthermore, during the third quarter of the fiscal year 2022-23, the nominal GDP at current market prices reached US\$ 874.84 billion (about Rs. 71.82 trillion). This represents a noteworthy growth of 10.4% when compared to the figures from the previous fiscal year, which stood at US\$ 792.3 billion (approximately Rs. 65.05 trillion) in 2021-22.

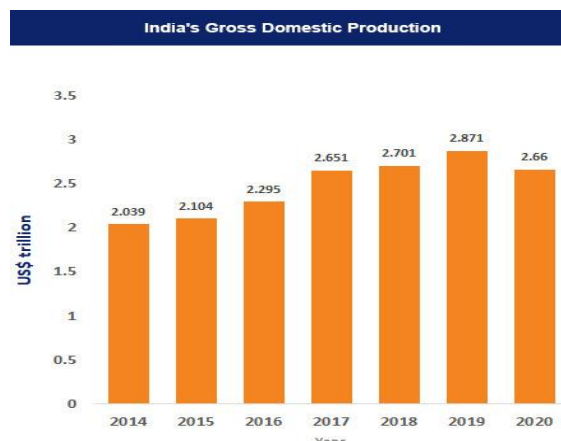
India has also gained prominence in the global tech industry, boasting a remarkable 115 unicorns with a combined valuation exceeding US\$ 350 billion as of February 2023. This achievement places India as the world's third-largest hub for such high-value startups.

Moreover, the Indian government is actively emphasizing the adoption of renewable energy sources, with a goal of sourcing 40% of its energy needs from non-fossil fuel sources by 2030. Additionally, India is firmly committed to the ambitious objective of achieving Net Zero Emissions by the year 2070, and this commitment is underpinned by a comprehensive strategy known as 'Panchamrit.' In recognition of its efforts and potential in the renewable energy sector, India holds the impressive rank of third place in the Renewable Energy Country Attractive Index.



## Top of Form

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



## RECENT DEVELOPMENTS

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. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below: -

1. As of January 6, 2023, India's foreign exchange reserves stood at US\$ 561,583 million.
2. Merchandise exports in March 2023 stood at US\$ 38.38 billion, with total merchandise export of US\$ 447.46 billion during the period of April-March 2023. The overall exports (merchandise and service exports) in 2022-23 was estimated at US\$ 770.18, exhibiting a growth of 13.84%.
3. PMI Services remained comfortably in the expansionary zone at 57.8 in the month of June 2023.
4. In June 2023, the gross Goods and Services Tax (GST) revenue collection stood at US\$ 19.63 billion (Rs. 1,61,497 crore), of which CGST is US\$ 3.77 billion (Rs. 31,013 crore), SGST is US\$ 4.65 billion (Rs. 38,292 crore), IGST is US\$ 9.76 billion (Rs. 80,292 crore).
5. In FY23, the Foreign Portfolio Investment (FPI) outflows stood at US\$ 14.81 billion (Rs. 1.21 trillion). As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crore (US\$ 2.67 billion) in India during the first week of July 2023.

## 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. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:





1. In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
2. Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of US\$ 182.35 million (Rs. 1,500 crore).
3. Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from 1st January 2023.
4. In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
5. Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
6. In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
7. India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23
8. The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

## **ROAD AHEAD**

During the second quarter of the fiscal year 2023, India managed to sustain the growth momentum it had achieved in the preceding quarter. High-frequency indicators (HFIs) showed strong performance in the months of July and August 2022. This performance reflects India's relatively favorable position in the international trade sector, indicating a positive outlook for economic growth and increased job opportunities. Notably, India ranked fifth in terms of foreign direct investment inflows among both developed and developing nations in the first quarter of 2022.

The economic narrative of India in the first half of the current fiscal year underscores the government's steadfast commitment to boosting capital expenditure, which, by August 2022 in FY23, had surged by 46.8% compared to the same period the previous year. The shift in the ratio of revenue expenditure to capital outlay, from 6.4 in the previous year to 4.5 in the current year, signifies a clear move toward more prudent and high-quality spending. Enhanced tax compliance increased corporate profitability, and a general uptick in economic activity all contributed to this upswing in capital expenditure.

Despite the challenges posed by the global pandemic, India's economic resilience shone through, with merchandise exports growing by 8.39% year-on-year and service exports by an impressive 29.82% up to April 2023. Port congestion issues are being resolved, and supply networks are gradually returning to normal. The impact of these positive developments is already evident in the reduction of the Consumer Price Index for Combined (CPI-C) inflation, which decreased from 7.01% in June 2022 to 4.81% in June 2023 (Provisional). A combination of proactive government actions, a flexible monetary policy, and the easing of

global commodity prices and supply chain disruptions suggests a diminishing trend in inflationary pressures throughout India.

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

## INDIAN INFRASTRUCTURE SECTOR

India's trajectory towards robust growth in 2023 and beyond hinges significantly on substantial advancements in crucial sectors, with a pivotal role played by the development of infrastructure. Infrastructure serves as a key facilitator in propelling India toward achieving a formidable US \$26 trillion economy. The Indian economy's main growth engine is the infrastructure sector. The Government of India (GoI) gives highest priority on its development to guarantee the country's overall development. Investments directed towards constructing and enhancing physical infrastructure, particularly in harmony with initiatives promoting the ease of conducting business, stand as a critical factor for boosting efficiency and cost-effectiveness. Prime Minister Narendra Modi has recently underscored the indispensable nature of infrastructure as a pillar for ensuring effective governance across sectors.

The government's unwavering commitment to shaping the future of infrastructure is evidenced by a series of recent initiatives. The US\$ 1.3 trillion national master plan for infrastructure, Gati Shakti, is at the forefront of ushering in systematic and effective reforms in the sector, having already made significant strides. Initiatives like the "Smart Cities Mission" and "Housing for All" have been beneficiaries of these infrastructure-focused endeavors. Saudi Arabia, in turn, aims to allocate substantial investments of up to US\$ 100 billion in India across sectors such as energy, petrochemicals, refinery, infrastructure, agriculture, minerals, and mining.

The infrastructure sector stands as a cornerstone for the Indian economy, playing a pivotal role in steering overall development. The government is steadfastly focused on implementing policies ensuring the timely creation of world-class infrastructure, encompassing power, bridges, dams, roads, and urban development. In essence, the infrastructure sector acts as a catalyst for India's economic growth, propelling allied sectors like townships, housing, built-up infrastructure, and construction projects.

Meeting India's ambitious goal of achieving a US\$ 5 trillion economy by 2025 necessitates a heightened emphasis on infrastructure development. The government has initiated the National Infrastructure Pipeline (NIP) alongside other endeavors such as 'Make in India' and the production-linked incentives (PLI) scheme, all geared towards augmenting the growth of the infrastructure sector. While historically, over 80% of the country's infrastructure spending has been directed towards transportation, electricity, and water & irrigation, there is a discernible shift towards addressing other evolving sectors, reflecting changes in India's environment and demographics.

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

## MARKET SIZE

In the fiscal year 2023-24 budget, there's a substantial 33% increase in the capital investment outlay for infrastructure, reaching Rs. 10 lakh crore (US\$ 122 billion), equivalent to 3.3% of the GDP. Notably, the Railways receive a record capital outlay of Rs. 2.40 lakh crore (US\$ 29 billion), about nine times the outlay in 2013-14.



The National Infrastructure Pipeline (NIP) began with 6,835 projects and now encompasses 9,142 projects across 34 sub-sectors. In this initiative, 2,476 projects are in the development phase with an estimated investment of US\$ 1.9 trillion. Almost half of these projects are in the transportation sector, with 3,906 focusing on roads and bridges. The Indian Railways anticipates total revenue from traffic to reach Rs. 2,64,600 crore (US\$ 32.17 billion) for FY24.

The logistics market in India is projected to reach US\$ 410.75 billion in 2022, with an expected increase to US\$ 556.97 billion by 2027, growing at a CAGR of 6.28%. India aims to improve its Logistics Performance Index ranking to 25 and reduce logistics costs from 14% to 8% of GDP within the next five years, amounting to a 40% reduction.

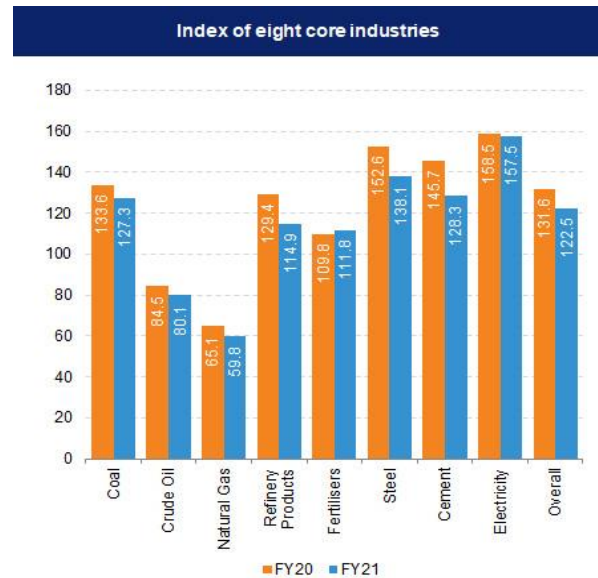
In December 2022, the Airport Authority of India (AAI) and other developers plan a capital outlay of approximately Rs. 98,000 crore (US\$ 11.8 billion) in the airport sector over the next five years for expansions, modifications, and other activities.

India presently boasts the world's fifth-largest metro network, expected to surpass advanced economies like Japan and South Korea to become the third largest. The metro rail network spans 810 kms and operates in 20 cities as of September 2022. Mumbai's monorail, at nearly 20 kms, is the third-largest route globally, after China (98 kms) and Japan (28 kms).

Through the 'National Infrastructure Pipeline,' India plans to invest US\$ 1.4 trillion in infrastructure over the next five years. Infrastructure activities accounted for 13% of the total FDI inflows in FY21, amounting to US\$ 81.72 billion. To achieve the vision of 'Housing for All' by 2022, India needs to construct 43,000 houses daily. As of August 22, 2022, 122.69 lakh houses have been sanctioned, 103.01 lakh grounded, and 62.21 lakh completed under the Pradhan Mantri Awas Yojna scheme (PMAY-Urban).

The upcoming decade requires the development of hundreds of new cities, with a predicted 140% increase in demand for urban freight over the next 10 years. Final-mile freight transit in Indian cities constitutes 50% of the total logistics expenditures in the country's growing e-commerce supply chains. India is anticipated to become the third-largest construction market globally by 2022, with the logistics market estimated to reach US\$ 320 billion by 2025. The overall infrastructure capital expenditure is projected to grow at a CAGR of 11.4% over 2021-26, primarily driven by spending on water supply, transport, and urban infrastructure. During the tenth five-year plan, investment in infrastructure contributed around 5% of the GDP, decreasing to 9% in the eleventh five-year plan. Additionally, India's planning commission proposed a US\$ 1 trillion investment in infrastructure during the 12th five-year plan, with 40% of the funds coming from the private sector.

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



## GOVERNMENT INITIATIVES AND INVESTMENTS

Some of the recent government initiatives and investments in the infrastructure sector are as follows:-

- Infrastructure Finance Secretariat is being established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.
- 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified and will be taken up on priority with investment of Rs. 75,000 crore (US\$ 9 billion), including Rs. 15,000 crore (US\$ 1.8 billion) from private sources.
- An Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall, which will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.
- The Awas Yojana budget estimate for 2023-'24 constitutes an allocation of Rs. 25,103 crore (US\$ 3 billion) to Pradhan Mantri Awas Yojana-Urban and Rs. 54,487 crore (US\$ 6.5 billion) to Pradhan Mantri Awas Yojana-Gramin.

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

## INVESTMENTS

- In January 2023, the Construction arm of Larsen & Toubro has secured orders for its power transmission & distribution and buildings & factories businesses to establish a 112.5MW Solar Power Plant in West Bengal and to construct a 600-bed super specialty hospital at Mumbai, respectively.
- As many as 52 critical infrastructure gap projects identified by MoPSW for connecting maritime ports and IWTs (Inland Waterway Terminals) to be taken up under PM Gati Shakti National Master Plan. Currently, DPR of total 56 projects (including 11 IWT projects) under this category with total of 1,215 km length are under bidding stage for the feasibility assessment of these projects, which is being carried out by NHAI.
- In FY23, the combined index of eight core industries stood at 146.5 driven by the production of coal, refinery products, fertilizers, steel, electricity, and cement industries.
- The government announced Rs. 305,984 crore (US\$ 42 billion) over the next five years for a revamped, reforms-based, and result-linked new power distribution sector scheme.

## ROAD AHEAD

India is on a trajectory to achieve its ambitious economic growth target of reaching US\$ 5 trillion by 2025, but this goal necessitates a substantial improvement in the country's infrastructure. To accommodate the growth in population and economic activities, there is a crucial need for enhanced transportation infrastructure, including investments in roads, railways, aviation, shipping, and inland waterways.

The government is actively advocating for a \$750 billion investment to fortify railway infrastructure and has introduced the Maritime India Vision 2030, envisioning substantial investments in world-class infrastructure at Indian ports.



Global investments and collaborations, such as the India-Japan forum for development in the Northeast, signal a growing interest in supporting India's infrastructure growth. These initiatives align with India's pursuit of self-reliance in future-ready and sustainable critical infrastructure.

Estimates suggest that India should invest \$840 billion in urban infrastructure over the next 15 years to cater to the needs of its rapidly growing population. To ensure the rationality and sustainability of this investment, there must be a simultaneous focus on the long-term maintenance and strength of buildings, bridges, ports, and airports.

The residential sector is experiencing robust sales, with launches indicating a positive trend in 2022. Total sales in the top-7 cities were projected to exceed 360,000 units in 2022.

The Civil Aviation Ministry's "Vision 2040" outlines plans for 190-200 functioning airports in India by 2040, with Delhi and Mumbai each having three international airports. Additionally, the UDAN initiative aims to complete 220 destinations by 2026, providing air connectivity to previously unconnected areas.

The Gati Shakti masterplan outlines 102 critical projects worth \$7.67 billion, set to be completed by 2024, making 2023 a pivotal year for effective execution and timely completion.

The Government of India is placing unprecedented focus on the infrastructure sector, with plans to invest US\$ 1.4 trillion during 2019-23 for sustainable development. There is a proposed investment of Rs. 5,000,000 crore (US\$ 750 billion) for railway infrastructure from 2018-30. Projections indicate India's GDP is expected to grow at 8% over the next three fiscal years, making it one of the fastest-growing economies. Collaborations with Japan, such as the India-Japan Coordination Forum for the development of Northeast, underscore the commitment to strategic infrastructure projects. As a developing nation, India is poised to leverage opportunities for infrastructure expansion, indicating a promising future for the sector.

## **ROADS AND HIGHWAYS INFRASTRUCTURE**

The forecast for the roads and highways market in India indicates a remarkable Compound Annual Growth Rate (CAGR) of 36.16% from 2016 to 2025. This projection is attributed to the government's increasing initiatives to enhance the transportation infrastructure across the country.

Innovations and exceptional performance characterize India's highways sector. The government has successfully introduced over 60 road projects, surpassing a value of \$10 billion, employing the Hybrid Annuity Model (HAM). The HAM approach has effectively balanced risk distribution between private and public partners, fostering increased Public-Private Partnership (PPP) engagement in the sector.

The National Highways Authority of India (NHAI) has adopted asset recycling through the toll-operate-transfer (ToT) model for 100 highways. Notably, the first two bundles, each comprising nine highways, were successfully monetized, attracting investments exceeding \$2 billion.

NHAI has set a Guinness World Record by constructing a continuous 75 km Single Lane Bituminous Concrete Road in an impressive time of 105 hours and 33 minutes, connecting Amravati and Akola on NH 53 in Maharashtra.

In another achievement, NHAI, in collaboration with Maha Metro, secured a Guinness World Record for constructing the longest Double Decker Viaduct (3.14 km) featuring a Highway Flyover and Metro Rail, all supported on a single column, situated between three metro stations in Nagpur.

A significant milestone in the road transportation industry is the NHAI's comprehensive digital transformation. The authority has embraced a fully digital approach, introducing a unique cloud-based and Artificial Intelligence-powered Big Data Analytics platform known as Data Lake, alongside a Project Management Software. This transformation involves shifting the entire project management workflow from manual to online portal-based operations. This includes configuring project execution operations, timelines, and an alert mechanism. All project-related documentation, contractual decisions, and approvals are now exclusively processed through the online portal.

(Source: <https://www.investindia.gov.in/sector/roads-highways> )

### **Recent Announcements**

- MoU signed between National Highways & Infrastructure Development Corporation Ltd (NHIDCL) and IIT Guwahati.
- Shri Nitin Gadkari inaugurates and lays foundation stone of 18 National Highway projects with an investment of more than INR 10,000 Cr in Gorakhpur, Uttar Pradesh.
- PM lays foundation stone of the 65.5 km section of 6 lane access controlled greenfield highway from Badadal to Maradagi S Andola of NH-150C.
- New 6-lane NH announced in Karnataka with INR 1,400-cr investment.
- Shri Nitin Gadkari inaugurates and lays foundation stones for National Highways projects worth INR 3670 crore in Maharashtra.
- Shri Nitin Gadkari approves development of 32 km long 6-lane Access Controlled Greenfield Highway on (NH-544G) Bengaluru–Vijayawada Economic Corridor in Hybrid Annuity Mode in Andhra Pradesh worth INR 1292.65 Crore under Bharatmala Pariyojana.

(Source: <https://www.investindia.gov.in/sector/roads-highways> )

### **Growth Drivers**

- The Ministry of Road Transport and Highways has set a target of developing 40 km of National Highways and Expressways per day across the country for FY 2023-24.
- MoRTH is constructing 27 Greenfield corridors, spanning a total length of 9,860 km, with a combined capital cost of INR 4,08,437 crore.
- To improve the highway network, NHAI is developing world-class 'Wayside Amenities (WSA)' at more than 600 locations along the National Highways.
- Provision of Advanced Traffic Management System (ATMS) is envisaged in high traffic density corridors which may help in speedy identification of incidents on the highway stretches and thereby improving the response time of the on-site assistance.

(Source: <https://www.makeinindia.com/sector/roads-and-highways> )





## **Key Infrastructure Schemes**

### ***Bharatmala Pariyojana Scheme***

The Bharatmala Pariyojana is the country's largest ever highways development programme. It aims to optimize the efficiency of road traffic movement across the country by bridging critical infrastructure gaps. Multi-nodal integration is one of the key focuses of this programme.

Components under Bharatmala Phase-I are:-

- Economic Corridors Development: Length - 9,000 km Investment Outlay: INR 1.2 lakh cr.
- Inter-corridor and feeder roads - Length: 6,000 km Investment Outlay: INR 80,000 cr.
- National Corridors Efficiency Improvements Length - 5,000 km Investment Outlay: INR 1 lakh cr.
- Border and International Connectivity Roads: Length - 2,000 km Investment Outlay: INR 25,000 cr.
- Coastal and Port Connectivity Roads Length - 2,000 km Investment Outlay: INR 20,000 cr.
- Expressways Length - 800 km Investment Outlay - INR 40,000 cr.
- It is estimated that more than 35 cr man-days of employment shall be generated under Phase-I of the programme.

The Bharatmala Programme incorporates the integration of multiple transport modes and includes the establishment of 35 Multi-modal Logistics Parks (MMLPs) at diverse locations throughout the country. These MMLPs are strategically developed following a 'Hub and Spoke' model, with the National Highways Authority of India (NHAI) and the National Highways and Infrastructure Development Corporation Limited (NHIDCL) overseeing implementation, particularly in North-East India.

Phase-I of the Bharatmala Pariyojana has seen the awarding of projects covering a substantial length of 19,265 km, amounting to a total cost of INR 5,60,216 crore. Progress has been noteworthy, with approximately 6,750 km already completed. Notably, projects spanning 612 km, with an associated cost of INR 13,720 crore, have been awarded in the State of Bihar under the Bharatmala Pariyojana Phase-I.

Looking ahead, there are plans for a significant investment ranging from INR 11 to 12 lakh crore under the Bharatmala programme. This investment in the logistics sector is anticipated to generate a substantial multiplier effect on the overall economy, highlighting the program's integral role in fostering comprehensive economic growth.

(Source:- <https://www.makeinindia.com/sector/roads-and-highways> )

### ***Gati-Shakti National Master Plan***

The PM Gati Shakti National Master Plan (NMP) was launched in October 2021 with a vision to enable a mechanism for coordinated planning and to provide a bird's eye view of planned development to all the Ministries for holistic and integrated development. PM Gati Shakti NMP envisages the creation of a system for inter-connected and multimodal transportation networks leading to integrated economic and infrastructure development, improved trade competitiveness, promotion of exports and employment generation. It envisages establishing integration and synergy amongst different infrastructure sector projects such as National Highways, Railways, Waterways, Telecom, etc., catering to development requirements/ logistic supports of different sectors and industries (e.g. Steel, Power, Fertilizers, Coal, etc.). The NMP will rely on creation of various data layers including geographical features, land records, etc., to facilitate coordinated



and integrated planning, project preparations and implementations, optimization of logistics arrangements and efficient transportation systems.

It provides the overall framework for planning, sanctioning and execution of projects. There are no separate funds allocated under PM Gati Shakti NMP. The budget is allocated NH projects-wise, as per project requirements, within the sanctioned project costs. However, the details of projects under Bharatmala & NH(O) in the State of Andhra Pradesh are annexed.

(Source:- <https://pib.gov.in/PressReleasePage.aspx?PRID=1885354> )

### ***National Monetisation Pipeline***

Union Budget 2021-22 has identified monetisation of operating public infrastructure assets as a key means for sustainable infrastructure financing. Towards this, the Budget provided for preparation of a ‘National Monetisation Pipeline (NMP)’ of potential brownfield infrastructure assets. NMP aims to provide a medium term roadmap of the programme for public asset owners; along with visibility on potential assets to private sector.

The aggregate asset pipeline under NMP over the four-year period, FY 2022-2025, is indicatively valued at Rs 6.0 lakh crore. The estimated value corresponds to ~14% of the proposed outlay for Centre under NIP (Rs 43 lakh crore). This includes more than 12 line ministries and more than 20 asset classes. The sectors included are roads, ports, airports, railways, warehousing, gas & product pipeline, power generation and transmission, mining, telecom, stadium, hospitality and housing. The top 5 sectors (by estimated value) capture ~83% of the aggregate pipeline value. These top 5 sectors include: Roads (27%) followed by Railways (25%), Power (15%), oil & gas pipelines (8%) and Telecom (6%). In terms of annual phasing by value, 15% of assets with an indicative value of Rs 0.88 lakh crore are envisaged to be rolled out in the current financial year (FY 2021-22). However, the aggregate as well as year on year value under NMP is only an indicative value with the actual realization for public assets depending on the timing, transaction structuring, investor interest etc.

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1748297> )

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## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page no. 26 of this Draft Red Herring Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled “Financial Statement” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page nos. 190 and 261 respectively, of this Draft Red Herring Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Draft Red Herring Prospectus, all references to "we", "us", "our" and "our Company" are to AVP Infracon Limited and Group Entities as the case may be.*

### Overview

Our Company was incorporated as AVP Constructions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated September 09, 2009 in Chennai. Subsequently, the name of our Company was changed to ‘AVP Infracon Private Limited’ and a fresh certificate of incorporation consequent upon change of the name was issued by the Registrar of Companies, Chennai dated October 06, 2023. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on October 20, 2023 and the name of our Company was changed from “AVP Infracon Private Limited” to “AVP Infracon Limited” vide a fresh Certificate of Incorporation dated November 17, 2023 having CIN U45400TN2009PLC072861 issued by the Registrar of Companies, Chennai.

We are a dynamic private sector firm involved in the construction of road projects based on Bill of Materials (BOM) and Engineering, Procurement, and Construction (EPC) methods. Our Company is engaged in the business of construction and transacts the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, level, decorate, fabricate, reconstruct, renovate, remodel, rebuild all types of infrastructure developmental works, constructions works such as technically complex and high value projects like Express ways, National Highways, Flyovers, Bridges and Viaducts, Irrigation Projects, Urban Development - Civic amenities, Hospitals, warehouses, hotels and other Commercial and Residential Projects. We have in-house capabilities to deliver a project from conceptualization to completion with fast turnaround time from acquisition to launch to completion, which focuses on de-risking and improving return on investment.

AVP Infracon Limited was incorporated in 2009 with a vision to become a leading infrastructure development company in India. In the last decade, we have excelled in diverse projects, including government contracts and national initiatives, earning our reputation as a trusted construction firm in the nation. Our Company has 14 (fourteen) years of experience in the business and have 100+ experienced employees (including contractual) working towards achieving the goal the Company. Our Company has completed 40 projects as of date of this Draft Red Herring Prospectus.



We bid for construction of Roads, Bridges, Irrigation and Canal Projects, Flyovers, Industrial Areas, majorly based in the state of Tamil Nadu. We have in-house capabilities to deliver a project from conceptualization to completion with fast turnaround time from acquisition to launch to completion, which focuses on de-risking and improving return on investment.

Since incorporation, we have constructed well known roads and national highways such as construction of road over bridge, construction and widening of culvert, construction of drains, improvements and rebuilding of highways, construction of retaining walls on government roads and flyovers. Over the years, we have successfully completed 40 projects worth ₹ 31,321.03 lakhs approximately. Our execution capabilities have grown significantly with time, both in terms of the size of projects that we bid for and execute, and the number of projects that we execute simultaneously. As of this Draft Red Herring Prospectus, we have total 14 projects including 12 on-going projects worth approximately ₹ 20,188.91 lakhs, and 2 additional projects worth approximately ₹ 3,421.34 lakhs wherein AVP Infracon Limited becomes L1, suggesting our strong order book.

Further in addition to independently managing projects similar to those we've previously undertaken, we have now ventured into collaborations to handle more extensive projects. We have established a joint venture with M/s. Jawahar Constructions, focusing on four-laning road construction work, with a 90% share in proportion. This joint venture is named JWP-AVP. The contract value of the said project is ₹14,535.03 lakhs. Moreover, on August 20, 2023, we formalized a joint venture through an agreement with M/s CDR & Co. Constructions JV, holding an 80% share in the construction aspect of the EPC contract. This joint venture is named CDR-AVP (Joint Venture). The tender value of the said project is ₹ 32,289 lakhs. We have applied for this tender and it is yet to be awarded.

The registered office of our company is situated at Plot No. E-30, Second Floor, Second Avenue Besant Nagar, Chennai, Tamil Nadu - 600090, India. For more information of change in registered office, kindly refer chapter titled “Our History and Certain Other Corporate Matters” beginning on page 147.

Our Company was founded by our visionary promoters Mr. D Prasanna and Mr. B Venkateshwarlu.

Mr. D Prasanna, a leader with high goals is the pillar behind the growth of the company in leaps and bounds. Has obtained a bachelor's degree in engineering from Bharathidasan University in the year 2001. His highly appreciable public relations skills helped the company bag a handful of contracts as early as 2009. Being innovative and using the latest technology and hard work he helped the company later venture into State and National highways along with other government departments and a chain of commercial Ready Mix Concrete units across the country. Further Mr. B Venkateshwarlu, another promoter of our Company, a tech savvy leader has led to the growth of the company by executing each and every project of the company to perfection whilst making profits all along. He always had entrepreneurial goals. He worked for a few companies and the cooperative bank in Telangana as a Network engineer. He was known to the entire vertical of every department he worked with ensuring smooth work progress.

Further, Mr. D Prasanna and Mr. B Venkateshwarlu has combined rich experience of more than 28 years out of which experience of more than 18 years in the infrastructure sector and has been instrumental in driving the growth and business strategies of our Company. For further information, please refer to section titled “Our Promoters” and “Our Promoter Group” beginning on page 178 and 182 of this Draft Red Herring Prospectus.

## OUR DOMAINS



## **Road Construction**

At AVP Infra, we lead the way in road construction. We specialize in designing and building roads that connect communities, support commerce, and ensure safety. These are the common types of infrastructure construction projects.

### **Highways**

We are committed to constructing efficient and durable highways that enhance regional and national connectivity and meet today's needs and tomorrow's challenges. We will continue to grow its successful construction operations profitably whilst expanding its EPC capabilities and acquiring/executing an increasing number of EPC projects.

### **Bridges**

Our expertise extends to various bridge types, from iconic landmarks to essential transportation links, designed for strength, aesthetics, and longevity.

### **Flyovers**

Elevate your urban landscape with our precision-crafted flyovers, designed to alleviate traffic congestion and enhance transportation efficiency.

## **OUR SERVICES**

### **Designing Services**

Our EPC projects involve a streamlined process, beginning with in-house design and engineering. We present design options and detailed plans during the pre-bid stage, followed by post-award development of multi-dimensional drawings. Fabrication involves collaboration with the design team, quality checks, and production. The construction phase, led by a hands-on senior management approach, follows approved designs. Our dedicated procurement and logistics department ensures timely raw material availability, evaluating existing vendors and seeking new sources. We strategically subcontract certain functions, maintaining a focus on cost-effectiveness and quality across all project aspects.

### **Estimation Services**

Our planning and monitoring team oversees systematic and cost-effective project execution, monitoring operational, administrative, and finance costs to prevent overruns. The engineering and management teams provide daily activity reports, tracking raw material consumption and procurement. The mechanical department manages machinery breakdowns and reports on idle status, while monthly reports cover target vs. achieved progress, design status, and action plans for bottlenecks. Our project management system tracks physical and financial progress, and the billing department issues periodic invoices, certifying bills from vendors and subcontractors for further processing at the head office. Joint measurements with clients facilitate certification and release of interim payments.

### **Procurement and Construction Management Services**



Our central procurement team, based in Tamil Nadu, manages the acquisition of major raw materials and engineering necessities, such as cement, steel, and construction materials. We leverage bulk purchasing for economies of scale, fostering strong vendor relationships. Local procurement managers provide project-specific insights, ensuring personalized understanding of material requirements. While we don't commit to long-term supply contracts, bulk buying maintains vendor relationships, ensuring timely delivery of critical materials.

## PRE-CONSTRUCTION SERVICES

**Schematic Design Excellence:** We lay the groundwork for success with meticulously crafted schematic designs, setting the stage for flawless execution.

**Approvals and Clearance:** Navigate the complex landscape of approvals and clearances with ease, our expert team will take care of it.

**Procurement Efficiency:** Avoid costly delays with our efficient procurement management, ensuring the right materials and resources are available when you need them.

**Accurate Budgeting:** We provide initial budget estimates by meticulously scoping the work, giving you confidence in your project's financial planning.

**Client-Centric Systems:** Our commitment to your vision means we build systems and equipment that align perfectly with your expectations.

## POST COMPLETION SERVICES

Upon completion of construction of a project, typically an independent engineer appointed for the project certifies the work completed and a completion certificate is issued by the client. Our completed projects also include those projects for which we have been issued provisional completion certificates by the relevant authority. Provisional completion certificates include projects where symbolic possession has been taken by the client and final bills are pending approval. Depending on the scope of work for a project, maintenance may be required to be carried out by us upon completion of construction. The retention money, which is typically five percent (5%) of the contract value, is returned by the client upon completion of the defect liability period.

**Impeccable Handovers:** We present your site in its most presentable form, ready for you to step into a completed masterpiece.

**Schematic Design Excellence:** Enhance the functionality of your project with our expert modification services, tailored to your evolving needs.

**Maintenance Guidance:** Count on us for expert guidance on maintenance and upkeep, prolonging the life and value of your investment.

**Final Inspection Excellence:** Our thorough final inspections guarantee that every detail meets our exacting standards, ensuring your satisfaction.

## FINANCIALS OF OUR COMPANY



Our key financial performance indicator for period ended October 31, 2023 and Financial Year 2023, 2022 and 2021 are detailed as below:

#### Standalone KPI indicators

(Amount in ₹ lakhs, except EPS, % and ratios)

Particulars	For the period ended Oct 31, 2023	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Revenue from operations <sup>(1)</sup>	6,918.69	10,633.56	6,388.85	5,799.76
Growth in Revenue from Operations <sup>(2)</sup>	-	66.44%	10.16%	-
EBITDA <sup>(3)</sup>	1,484.17	2,028.41	1,024.85	595.45
EBITDA (%) Margin <sup>(4)</sup>	21.45%	19.08%	16.04%	10.27%
EBITDA Growth Period on Period <sup>(5)</sup>	-	97.92%	72.11%	-
ROCE (%) <sup>(6)</sup>	22.63%	37.04%	25.94%	20.85%
Current Ratio <sup>(7)</sup>	1.4	1.38	1.49	1.34
Operating Cash flow <sup>(8)</sup>	(490.63)	(869.79)	139.27	(130.50)
PAT <sup>(9)</sup>	834.27	1,152.63	399.43	226.3
ROE/ RONW <sup>(10)</sup>	25.05%	46.18%	29.73%	33.08%
EPS <sup>(11)</sup> (before considering bonus)	4.63	24.01	8.32	22.63
EPS <sup>(11)</sup> (after considering bonus)	4.63	6.40	2.22	1.26

#### Consolidated KPI indicators

(Amount in ₹ lakhs, except EPS, % and ratios)

Particulars	For the period ended Oct 31, 2023	Financial Year ended March 31, 2023
EBITDA	1,734.98	2,286.51
Adjusted revenues	7,411.90	11,550.09
Adjusted PAT	867.12	1,214.61
Gross margin	30.22%	26.65%
EBITDA margin *	23.41%	19.80%
Working capital	2,958.13	2,452.62
PAT Margin *	11.70%	10.52%
Net worth	3,405.31	2,549.66

## OUR COMPETITIVE STRENGTHS

### 1. Experienced and Qualified Team

The promoter and the senior management team of our Company have significant industry experience. Our promoter, Mr. D Prasanna and Mr. B Venkateshwarlu, has combined experience of more than 18 years in the infrastructure development sector and has been instrumental in driving our growth since inception of our business. We believe that our motivated team of management and key managerial personnel along with our internal systems and processes complement each other to enable us deliver high levels of client satisfaction. For details on the qualifications and experience of our senior management team, please refer to section titled “Our



Management” beginning on page 155 of this Draft Red Herring Prospectus. We believe the strength and entrepreneurial vision of our Promoter and management has been instrumental in driving our growth and implementing our strategies.

## **2. Strong Order Book of roads, bridge and flyovers from state government**

Our primary focus on roads, bridges, flyovers and irrigation projects has helped us in gaining technical expertise for undertaking such projects of different sizes involving varying degree of complexities establishing modern fleet of construction machinery, equipment and skilled manpower. have total 14 projects worth approximately ₹ 23,543.83 lakhs including 12 on-going projects worth approximately ₹ 20,188.91 lakhs, and 2 additional projects worth approximately ₹ 3,421.34 lakhs wherein AVP Infracon Limited becomes L1, suggesting our strong order book., suggesting our strong order book. We believe that consistent growth in our Order Book has happened due to our continued focus on bridges, flyovers and highways and our ability to successfully bid and win new projects. We believe that our experience in execution of roads, bridges, flyovers and irrigation projects, technical capabilities, timely performance, reputation for quality and timely delivery, financial strength as well as the price competitiveness has enabled us to successfully bid and win projects. We have developed long-standing relationships with clients like PWD, NH, (Morth), Government of Tamil Nadu and various local bodies.

## **3. Quality Assurance**

Our Company is dedicated towards quality of our products, processes and input raw material. We adhere to quality standards as prescribed by our customers to meet the desired result; hence we get repetitive orders from our buyers. Delivering Quality products on time is one of our prime objective. We dedicate resources for quality assurance to ensure that quality norms are continually met. We also have quality control checks before any consignment of Raw material is accepted since it has a direct impact on the quality of Finished Product. After manufacturing, the products are also carefully inspected and evaluated on various parameters.

## **4. Experienced Management Team**

Our management team is well qualified and experienced in the Roads, Bridge and Irrigation projects construction and has been responsible for the growth of our business and operations. Our Promoter has cumulative experience of more than 55 years in the infrastructure development sector and has been instrumental in driving our growth since inception of our business. Our dynamic management team, along with key personnel, is highly motivated and works synergistically with our internal systems and processes. This collaboration allows us to consistently achieve high levels of client satisfaction. For a detailed overview of the qualifications and experience of our senior management team, please refer to the section titled "Our Management" starting on page 155 of this Draft Red Herring Prospectus. We firmly believe that the strength and entrepreneurial vision demonstrated by our Promoter and management have been crucial in propelling our growth and successfully implementing our strategic initiatives.

## **OUR BUSINESS STRATEGIES**

Our business objective is to increase our revenues and profits. Our business strategy focuses on the following elements:

### **1. Continues to focus on cost efficiency and increase profitability by upgrading the technology**





We focus on keeping our operating costs low, which we believe is critical for remaining competitive and profitable, by implementing measures to reduce our operating costs and improving our operational efficiencies. Our Company constantly endeavours to improve its productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries to achieve better asset turnover. We will continue to further improve our manufacturing processes to identify the areas of bottlenecks and correct them. This would help us in improving efficiency and putting resources to optimal use.

## **2. Expand our geographical network**

Our Company along with M/s. Jawahar Constructions has successfully completed 40 projects as of this Draft Red Herring Prospectus. We gradually intend to expand our business operations to other regions of South India. We plan to diversify and expand our presence in other Indian states for the growth of our business. We are selective in expanding to new locations and look at new geographies where we can deliver quality services without experiencing significant delays and interruptions because of local and ground considerations. We currently expect significant portion of our geographic expansion from various regions in the State of Tamil Nadu. Through further diversification of our operations geographically, we hope to hedge against risks of operations in only specific areas and protection from fluctuations resulting from business concentration in limited geographical areas.

## **3. We intend to enter into joint venture arrangements with other infrastructure companies to bid and execute large value projects.**

We intend to bid and execute projects larger than We intend to bid and execute larger projects of various authorities by entering into partnerships with various other players in the roads, bridges and water supply projects segment of the infrastructure industry in the near future.

## **4. Leverage core competencies with enhanced in-house integration.**

In-house integration has been an integral part of our growth. Over the years, we seek to focus on enhancing our in-house competencies by expanding into various functional aspects of projects thereby eliminating dependency on third parties. We are further enhancing our design and engineering capabilities and fabrication facilities to reduce dependency on third parties to avoid risks and minimizing costs associated with these functions.

## **INCREASING OPERATIONAL EFFICIENCY**

We continue to invest in increasing our operational efficiency throughout the organization. Our main thrust is to saving the Power cost which is quite significant in our industry with the use of technology and processes. We are addressing the increase in operational output through continuous process improvement, customer service, consistent quality and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

### **Project Cycle:**

We have set out below the flow chart explaining various steps involved in the life cycle of a project:

## PROJECT IDENTIFICATION

Tender Preparation and BID Submission with EMD
Technical Bid Opening and Technical Evaluation
Financial Bid opening and Financial Evaluation
Award of Contract Information
Letter of Acceptance /Work Order From Client
Performance/ Security Deposit
Agreement between client and contractor
Appointed date from client
Approvals for Materials from client
Approval Designs and drawings from client
Approval of methodology statement from client for each work
Initiate Site works
Running bills claims based on work status as per agreement terms and conditions with specified technical specification
Final payment after receiving completion certificate
Defect Liability period start from the date of completion project as per the agreement
Maintenance period
Release of retention/ Withheld after Completion of DLP(Defect Liability period)
Experience Certificate From Client



## OUR MAJOR PROJECTS

### NH 48 – Widening Existing 4 lane to 6 lane and improvements from km31/0 (Chettipedu) to Km 34/0 (Irungattukottai)

This project involves the expansion of the existing 4-lane NH 48 to a 6-lane configuration, covering a total distance of improvements from Km 31/0 (Chettipedu) to Km 34/0 (Irungattujottai) on NH-48 (formerly NH-4, Chennai-Bangalore section), comprising a 3.00 km stretch that includes a flyover at Km 31/550 (Thandalam SH50B Intersection). The tender for this project was awarded by the National Highways, Chennai Circle, Government of Tamil Nadu. This undertaking presented significant challenges, particularly in constructing earthen embankments for the road. The process involved layering under the required moisture content, rolling with appropriate equipment to achieve the desired density, and ensuring level slope and camber, adhering to the specifications and standards of the Ministry of Road Transport and Highways. Earthworks in proximity to structures were conducted in advance to the construction of such structures to prevent undue differential settlement.



**Year of Completion- 2023**

### NH 67 – Engineering Procurement & Construction (EPC) basis contract in the State of Tamil Nadu

This is an NH 67 project involving the expansion to 4 lanes in specific sections: Km 309/600-313/850, 315/0-318/300, and Km 331/0-332/2 (Palladam) – Karanampettai – Chinthamanipudur – L&T Bypass stretch in the state of Tamil Nadu. The contract for this Engineering, Procurement, and Construction (EPC) project on NH 67 was granted by the Ministry of Road Transport & Highways through the Superintending Engineer of National Highways, Salem.



**Year of Completion- 2023**

**LC 132 – Construction of ROB at Railway Km. 440/8-10 in Lieu of Existing L.C. No. 132 @ Km 0/2 of Tiruppur – Vavipalayam Road (Railway Km 440/ 26-28) in between Uthukuli and Tiruppur Railway Stations.**



**Year of Completion- 2023**

**SLM 99 – Widening from Two Lane to Four Lane and Improvements at km 27/4-27/6, 29/2-29/6 and widening from Two Lane to Four Lane and Strengthening at km 27/6-29/2, 29/6-34/0 of Dharampuri- Arur (Via) Morappur road including reconstruction of Culvert at km 27/8, 28/4, 28/6, 28/10, 29/10, 30/4, 30/10, 31/4, 31/5 (i),(ii), Construction of Box Culvert at km 27/6, 31/6,**



**Year of Completion- 2023**

## ORDER BOOK

### Independent:

Our Order Book as on a particular date consists of contract value of our ongoing projects, i.e., the total contract value of ongoing projects along with work done value as on 31.10.2023. Our Order Book is Rs. 20,122.49 Lakhs (*excluding order specified in Sr. No. 13 & 14 in below table*) as on October 31, 2023. The following table sets forth the break-up of our Order Book as per the Client:

Sr. No.	Name of the Projects	Name of the Client	Contract Value (inclusive of GST)	Work done Value as on 31.10.2023 (inclusive of GST)	Balance to be executed (inclusive of GST)
1.	Construction of ROB at Railway Km 44078-10 in lieu of existing LC No 132 @ km 0/2 of Tirupur - Vavipalayam Road (Railway Km 440/ 26-28) In Between uthukuli and tiruppur railway stations ( Balance work including approach road )	Divisional Engineer Highways NABARD & Rural Roads Erode	342.96	302.46	40.50
2.	Construction of Box culvert and Drain works in tambaram (H) C&M sub division Jurisdiction ( 4 works ) A ) Construction of Box culvert @ Km 4/4, 4/6 and 6/5 of Tambaram Mudichur Sriperumbudhur Road B ) Construction of Box culvert @ Km 9/4 and 9/7 of V.K Road to Medavakkam - Mambakkam salai C ) Construction of Box culvert @ Km 10/2 of V.K Road to Medavakkam - Mambakkam salai D ) Providing additional culvert ( as a deposit to souther railways ) across railway track and construction of lead drain to dharga road	Highways C&M City Roads Chennai	553.48	250.75	302.73
3.	Construction of Cover slab for the storm water drain available in Chennai Bypass from Km 0.000 to Km 32/600 in the State of Tamil Nadu.	Project Director NHAI, Chennai	1,162.99	361.74	801.24
4.	Widening from Two Lane to Four Lane and Improvements at km 27/4-27/6, 29/2-29/6 and Widening from Two Lane to Four Lane and Strengthening at km 27/6 -29/2, 29/6- 34/0 of Dharmapuri - Arur (Via) Morappur road including reconstruction of Culvert at km 27/8, 28/4, 28/6, 28/10, 29/10, 30/4,30/10, 31/4, 31/8 (i),(ii), Construction of Box Culvert at km 27/6, 31/6 (SLM-99)	Highways C&M Dharmapuri	4,029.02	2,875.27	1,153.75
5.	Widening from Double lane to Four lane and Improvements in Km.1/750 - 7/0 of Coimbatore Anaikatty road (SH - 164) Estimate Amount Rs.3125.00 Lakhs CE.No.21/2021 - 22	Sai Hridham Infra Pvt Ltd	2,679.81	2,095.19	584.63



6.	Widening From Intermediate lane to two lane and strengthening at km 22/4 to 24/4 of kattampatty - koduvai road including reconstruction / construction of box culvert at km 23/4, 24/2	Highways C&M Thiruppur	528.56	500.92	27.65
7.	Widening from Two Lane to Four Lane and Strengthening at Km 0/7-1/4, 2/4-3/8, 5/6-6/4, 7/2-10/0, 12/0-14/4 of Hosur - Denkanikottai (via) Thalli Road including Providing Median, Drain, Construction of Retaining Wall and CD Works (SLM-86) (01-CRIDP-22-23-S-0178)	Highways C&M Krishnagiri	5,291.11	-	5,291.11
8.	Supply of steel Rods to 9 Panchayat unions of Kallakurichi District (Package No 01)	DRDA, Kallakurichi	4,131.00	694.80	3,436.20
9.	Special Repairs to Government Roads in tirupur south (H) C&M Sub - Division for 2023-24 (TPR - 060)	Highways C&M Thiruppur	92.41	-	92.41
10.	Government Roads special repair works at Hosur (H) C&M Division	Highways C&M Krishnagiri	181.13	-	181.13
11.	Improvements to riding quality at 113/0 - 115/2, 118/4 - 119/6 of salem - Cochin road NH 47 abandoned strech (Avinashi town)	Highways C&M Thiruppur	550.27	-	550.27
12.	Widening from IL to 2L and Strengthening at km 2/0 - 6/0 of Vettaikaranpudur Semanampathi. including reconstruction of culvert at km 2/2, 3/4, 3/6, 3/8, 5/2, 5/6, 5/10 Widening of culvert at km 2/8 and Reconstruction of minor bridge at km 4/4 including construction of protective wall at km 4/6.	Highways C&M Pollachi	579.76	-	579.76
13.	Widening, Strengthening and Improvements to Riding Quality to Government Roads including Reconstruction of Culvert in Palacode (H) (C&M) Sub-Division (SLM-41)	Highways C&M Dharmapuri	367.50*	-	-
14.	Widening From Two lane to four lane and improvements at Km 24/8 - 29/4 of palladam-Dharapuram Road including CD works, Drain and providing Centre Median	Highways C&M Dharapuram	3,053.84*	-	-

\*Selected as L-1 bidder, work order is awaited.



## Joint Venture:

Amount in ₹ Lakhs

Sr. No.	Details	Name of the Client	Contract Value (inclusive of GST)	Work done Value as on 31.10.2023 (inclusive of GST)	Balance to be executed (inclusive of GST)
1.	<b>Package Name:</b> NH Madurai (Circle) <b>Package No.:</b> NH 209 <b>Name of the JV:</b> JC-AVP (JV) <b>JV Other Partners Name:</b> M/s. Jawahar Constructions <b>Profit Ratio of AVP Infracon:</b> 10%	Morth Government of India	14,535.03	-	14,535.03
2.	<b>Package Name:</b> Widening to two lane with paved shoulder from Km 34/250 to Km71/675 of Khammam-Kurvi section of NH365A in the State of Telangana under Annual Plan 2022-23 on Engineering, Procurement and Construction (EPC) Basis. <b>Package No.:</b> NH. NO - 365A <b>Name of the JV:</b> CDR-AVP (JV) <b>JV Other Partners Name:</b> M/s CDR & Co. Constructions <b>Profit Ratio of AVP Infracon:</b> 20%	Morth Government of India	32,289.00*	-	-

\*As of the date of this DRHP, CDR-AVP (JV) has submitted for the tender only, and work order has not been awarded yet.

Our contract acquisition involves a competitive bidding process. Potential projects are identified through client advertisements in national newspapers and websites. The tender department reviews these opportunities, considering factors like project location, complexity, workload, cost estimates, and competitive advantage. The management's approval is sought before submitting bids. We have a dedicated tender department responsible for bidding, ensuring eligibility criteria are met. If needed, joint ventures are formed for eligibility. Prequalification involves detailed organizational, financial, and project portfolio submissions. Clients prequalify contractors based on experience, technical ability, safety records, and financial strength. Price competitiveness remains a crucial criterion. Financial bids require an in-depth study of project conditions, site visits, local market surveys, and quotations from vendors. The bid price is determined by marking up the estimate based on overheads, expenditure, and profitability benchmarks. Post-qualification tenders follow a similar process, with the authority evaluating technical bids first and subsequently opening financial bids for qualified bidders.

## Equipment

As the owner of a modern fleet of construction equipment, we are able to dispatch our construction equipment to worksites where they can be utilized at an efficient level without any delay. With high control and availability of construction machinery and equipment, we can take measures to use and maintain our machinery and



equipment to improve our efficiency optimum use of our machinery and equipment pursuant to the needs of our projects.

In order to do so, a qualified and experienced team works around the clock, to execute our projects in an efficient manner while avoiding high rental costs, risks of renting wrong equipment, delays and use restrictions by third party equipment owners. To ensure high quality, low cost and timely completion of projects, we have an in-house repair and maintenance team, which carries out scheduled preventive maintenance, breakdown maintenance, proactive maintenance and other activities. Fast running items are stored at project sites in order to minimize the time spent in repair. The photographs of some our fleets are as under:



The following table provides a list of the major machineries and equipment owned by us as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Equipment / Vehicle
<b>Trailers</b>	
1	Trailer 40Ft AL - TN 04 K 8703
2	Trailer 20Ft AL - TN 55 X 8866
3	Trailer 20Ft AL - TN 38 C 2088
<b>06Wheel Tippers</b>	
4	Tipper AL - TN 63 H 3799
5	Tipper AL - TN 42 AE 9718
6	Tipper AL - TN 42 AE 9732
7	Tipper AL - TN 42 AE 9776
<b>10Wheel Tippers</b>	
8	Tipper Bharat Benz - TN 81 C 7686

9	Tipper Bharat Benz - TN 81 C 7691
10	Tipper Bharat Benz - TN 81 C 7697
11	Tipper Bharat Benz - TN 81 D 1207
12	Tipper Bharat Benz - TN 81 D 1227
13	Tipper Bharat Benz - TN 81 D 1284
14	Tipper Bharat Benz - TN 81 E 7435
15	Tipper Bharat Benz - TN 81 E 7444
16	Tipper Bharat Benz - TN 81 E 7471
17	Tipper Bharat Benz - TN 81 E 7484
18	Tipper Tata - TN 38 CQ 1303
19	Tipper Tata - TN 38 CQ 1326
20	Tipper Tata - TN 38 CQ 1342
21	Tipper Tata - TN 38 CQ 1345
22	Tipper Tata - TN 38 CQ 1350
23	Tipper Tata - TN 38 CQ 1353
24	Tipper Tata - TN 38 CQ 1365
25	Tipper Tata - TN 38 CQ 1388
<b>12Wheel Tippers</b>	
26	Tipper Tata - TN 42 AK 3823
27	Tipper Tata - TN 42 AK 3874
28	Tipper Tata - TN 42 AK 3877
29	Tipper Tata - TN 42 AK 3890
30	Tipper Eicher - TN 42 AK 7695
31	Tipper Eicher - TN 42 AK 7753
32	Tipper Eicher - TN 42 AK 7763
33	Tipper Eicher - TN 42 AK 7765
34	Tipper Eicher - TN 42 AK 7792
35	Tipper Eicher - TN 42 AK 7759
36	Tipper Eicher -TN 39 DA 8608
37	Tipper Eicher -TN 39 DA 8616
38	Tipper Eicher -TN 39 DA 8620
39	Tipper Eicher -TN 39 DA 8622
40	Tipper Eicher -TN 39 DA 8633
41	Tipper Eicher -TN 39 DA 8638
42	Tipper Eicher -TN 39 DA 8641
43	Tipper Eicher -TN 39 DA 8690
<b>Transit Mixers</b>	
44	Transit Mixer AL - TN 45 X 9595
45	Transit Mixer AL - TN 28 M 5359
46	Transit Mixer AL - TN 28 L 9459
47	Transit Mixer Eicher - TN 39 CQ 5320
48	Transit Mixer Eicher - TN 39 CQ 5326
49	Transit Mixer Eicher - TN 39 CQ 5807
50	Transit Mixer Eicher - TN 39 CQ 5824
51	Transit Mixer Eicher - TN 39 CQ 5834
52	Transit Mixer Eicher - TN 39 CQ 5887

53	Transit Mixer Drum Stetter - TN 39 CQ 5320
54	Transit Mixer Drum Stetter - TN 39 CQ 5326
55	Transit Mixer Drum Stetter - TN 39 CQ 5807
56	Transit Mixer Drum Stetter - TN 39 CQ 5824
57	Transit Mixer Drum Stetter - TN 39 CQ 5834
58	Transit Mixer Drum Stetter - TN 39 CQ 5887

	<b>Water Tankers</b>
59	Water Tanker AL - TN 20 R 4983
60	Water Tank - TN 20 R 4983
61	Water Tanker AL - TN 66 9609
62	Water Tank - TN 66 9609
63	Water Tanker AL - TN 03 F 3609
64	Water Tank - TN 03 F 3609
	<b>Diesel Bowser</b>
65	Diesel Bowser Tata - TN 39 CQ 8623
66	Diesel Tank 2499 Ltr - TN 39 CQ 8623
	<b>Tempo</b>
67	Tempo Tata - TN 20 Z 3313
	<b>Campers</b>
68	Camper Bolero - TN 31 CB 2849
69	Camper Bolero - TN 31 CB 2899
70	Camper Bolero - TN 07 CZ 4638
71	Camper Bolero - TN 07 CZ 4641
	<b>Excavators</b>
72	Excavator JCB - JS120U
73	Excavator JCB - JS130
74	Excavator Sany - SY210C
75	Excavator Sany - SY210C
76	Excavator Sany - SY215C
	<b>Backhoe Loaders</b>
77	Backhoe JCB Xtra - TN 81 C 0144
78	Backhoe JCB Xtra - TN 81 D 4503
79	Backhoe JCB Xtra - TN 81 D 4534
80	Backhoe Case 770Ex - TN 42 AH 3764
81	Backhoe Case 770Ex - TN 42 AH 3783
82	Backhoe Case 770Ex - TN 42 AH 3840
83	Backhoe Case 770Ex - TN 42 AH 3855
	<b>Motor Graders</b>
84	Motor Grader Sany - TN 07 DD 1908
85	Motor Grader Sany - TN 07 DD 1967
86	Motor Grader XCMG - TN 87 B 4155
87	Motor Grader XCMG - TN 87 B 4171
	<b>Soil Compactors</b>
88	Soil Compactor Ammann Apollo - TN 81 E 8704
89	Soil Compactor Ammann Apollo - TN 42 AK 2073

90	Soil Compactor Ammann Apollo - TN 42 AK 2099
91	Soil Compactor Ammann Apollo - TN 07 DD 1605
92	Soil Compactor Ammann Apollo - TN 07 DD 1648
	<b>Tandem Rollers</b>
93	Tandem Roller JCB - TN 81 A 9234
94	Tandem Roller Mini JCB - TN 81 E 8084
95	Tandem Roller Volvo DD90B
96	Tandem Roller Hamm HD99 - TN 81 F 2703
97	Tandem Roller Hamm HD99 - TN 07 DE 0885
98	Tandem Roller Hamm HD99 - TN 07 DE 0893
	<b>Pavers</b>
99	Paver Apollo HES
100	Paver Ammann Apollo TN 81 F 0607
101	Paver Ammann Appolo WM6 HES
102	Paver Vogeles 1400-i - TN 07 DA 2274
	<b>Concrete Pumps</b>
103	C. Pump Schwing Stetter 350D
104	C. Pump Schwing Stetter 350D
105	C. Pump Putzmeister 1405
	<b>Cars</b>
106	Car Ford Eco Sport - TS 05 E 6789
107	Car Skoda Rapid - TN 45 BS 1234
108	Car BMW 530D - TN 07 DF 1234
109	Car MG Hector - TN 81 K 1234
110	Car Hyundai Creta - TN 31 CX 7677
111	Car Mercedes Benz GCL220D - TN 92 E 0192
112	Car Hyundai I20 - TN 81 AZ 1234
	<b>Bikes</b>
113	Bike Bajaj CT100 - TN 50 AE 7697
114	Bike Bajaj CT100 - TN 50 AU 8389
115	Bike Bajaj CT100 - TN 50 AV 6419
116	Bike Bajaj Platina - TN 48 BX 1767
117	Bike TVS Star City - TN 45 BJ 8772
	<b>Asphalt Batch Mix Plants</b>
118	Asphlt Drum Mix Plant DM 50
119	Asphlt Drum Mix Plant 60
120	Asphlt Drum Mix Plant Apollo DM60
121	Asphlt Drum Mix Plant Apollo 120
	<b>Asphalt Equipments</b>
122	Bitument Sparyer - Old
123	Bitumen Sprayer
124	Bitumen Tank
125	CMP PLANTS EQUIPMENT & ACCESSORIES
	<b>Concrete Batching Plants</b>
126	Batching Plant Schwing Stetter CP-18
127	Batching Plant - 45TS

128	Batching Plant Schwing Stetter M 30 Z
129	Batching Plant Schwing Stetter M 30 Z
	<b>Cement Storage Silos</b>
130	Cement Storage Silo - 100 MT
131	Cement Storage Silo - 100 MT
132	Cement Storage Silo - 100 MT
133	Cement Storage Silo - 100 MT
134	Cement Storage Silo - 100 MT
	<b>Diesel Gensets</b>
135	DG Mahindra Generator
136	DG Powerica 180KVA
137	DG Powerica 200KVA
138	DG Powerica 125KVA
139	DG Genset Engine
140	DG Honda EP-1000 1KVA - (Petrol)
141	DG Honda 15KV NH67
142	DG Honda 15KV CMP Plant
	<b>Equipments</b>
143	Leaf Vacuum & Blower-KK-LBV-650
144	Electric Motor 25HP/2P/B35
145	Concrete Vibrator Villers C12 Engine
146	Industrial Motor 3HP
147	Petrol Vibrator 3HP
148	Vibrator Needle & Oil Engine
149	Cement Feeding Blower
150	Cement Feeding Hose
	<b>Lab Equipments</b>
151	Compression Testing Machine
152	GI Test Sieves
153	Bitumen Electric Extractor
154	Hammer Kit
	<b>Weigh Bridges</b>
155	Weigh Bridges - Nipro
156	Weigh Bridges - Electronic
157	Weigh Bridges - Electronic
	<b>Containers</b>
158	Container 10x8x8 - Office
159	Container 20Ft
160	Container 20Ft
161	Container 20Ft
162	Container Portable - Lab
163	Container Portable - Site Office
164	Container Portable - Lab
165	Container Portable - Site Office
	<b>Security Cabins</b>
166	Security Cabin Portable RCC



166	Security Cabin Portable RCC
	<b>Storage Tanks</b>
167	MS Tank
168	MS Tank - OLD
169	MS Tank - OLD-RMC
170	MS Tank - OLD-CMP
171	MS Tank - OLD-SLM99
	<b>Scaffolding Materials</b>
172	SCAFFOLDING PIPES
173	U HEAD ADJUSTER
174	CORNOR ANGEL
175	WALL FORMS
176	BOOTOM PANES
177	CENTRING SHEETS
178	SPECIAL FORM WORK
179	STRIP SEAL EXPANSION
180	TRAILOR MADE FORM WORK
181	STANDAR FORM WORK
182	STANDAR FORM WORK
183	Standard Form Work
184	Strip Steel
185	Key Form Assembly
186	Standard Form Work
187	Key Form Assembly
188	SHUTTERING MATERIAL
189	SHUTTERING MATERIAL
190	SHUTTERING MATERIAL

## LOCATION OF OFFICES

The registered office of our company is:

Office	Location
Registered Office	Plot No. E-30, IInd Floor, IInd Avenue Besant Nagar, Chennai, Tamil Nadu -600090, India,

## CREDIT RATING FROM CRISIL RATINGS

The ratings outstanding for the debt instruments/facilities of the company, and the rating actions by CRISIL ratings on the ratings as on May 22, 2023.

<b>Total Bank Loan Facilities Rated</b>	₹ 35 Crore (Enhanced from ₹ 7 Crore)
<b>Long Term Rating</b>	CRISIL BB/Stable (Migrated from 'CRISIL BB-/Stable ISSUER NOT COOPERATING')
<b>Short Term Rating</b>	CRISIL A4+ (Migrated from 'CRISIL A4+ISSUER NOT COOPERATING')



## UTILITIES & INFRASTRUCTURE FACILITIES

### Power

We have arrangements for regular power supply at our office premises and project site(s). We meet our power requirements by sourcing and purchasing it from the electricity distribution channels. Our clients arrange the power supply for respective construction sites.

### Water

The water consumption at our registered office is normal which we can fulfil from water supply in the Office Building. For our construction site water is sources from bore or is supplied by local water suppliers in the area of site.

## SOME OF OUR MAJOR SUPPLIERS OF RAW MATERIAL & TRADED GOODS ARE AS UNDER:

Sr. No.	Name of Suppliers	Type	As on October 31, 2023 (₹ in Lakhs)
1.	VSR Infra	Bitumen	296.28
2.	Indian Oil Corp	Bitumen	310.68
3.	Hindustan petroleum corp	Bitumen	303.20
4.	Sri amman blue metals	Aggregates	205.07
5.	Kovai sands	Aggregates	198.97
6.	Kaarthikeya blue metals	Aggregates	25.67
7.	SVA Blue Metals	Aggregates	79.06
8.	Riyara Trading	Cement	162.94
9.	RKS Agencies	Cement	76.96
10.	Carbinol Petrochem Ltd.	LDO Oil	81.91

## COLLABORATIONS

Except JWP-AVP (JV) and CDR-AVP (JV), we have not entered into any technical collaboration agreements or performance guarantee or assistance for marketing with any party.

## SEASONALITY

Our business is not seasonable in nature.

## EXPORT AND EXPORT OBLIGATIONS


Our Company doesn't have any export obligations as of this Draft Red Herring Prospectus.

## INTELLECTUAL PROPERTIES

Following are the details of the Trademarks Registered in the name of our Company, in India:





Sr. No.	Brand Name/Logo Trademark	Class	Trademark Type	Registration/ Application No.	Date of Application	Current Status
1.	AVP Constructions	37	Wordmark	6101694	September 08, 2023	Objected
2.		37	Device	6101695	September 08, 2023	Marked for Exam

## IMMOVABLE PROPERTY

The following are the details of owned and lease hold properties:

### a) Owned properties:

Sr. No.	Name of Seller	Address	Purpose	Area (Square Meter)	Consideration ₹ in Lakhs	Date of Acquisition
1	T Balaji (POA) - J Stephen Senthil Kumar)	Plot No 5, Survey No. 32, Avurivakkam Village, Trivellore District	Investment	196.57	1.57	04-12-2020

### b) Leasehold properties:

Sr. No.	Document Date	Name of Lessor	Name of Lessee	Description of Property	Rental (₹)	Use
1	May 16, 2023 (Validity: May 16, 2023 to March 16, 2024)	Mrs. Hasina Kareem	AVP Infracon Limited	Plot No. E30, IInd Avenue, Besant Nagar, Chennai- 600090	90,000/- per month	Registered Office

## DOMAIN NAME

Domain Name & ID	Sponsoring Registrar & ID	Registrant Name	Creation Date	Registry Expiry Date
www.avpinfra.com	2822736029_DOMAIN_COM-VRSN	Godaddy	October 18, 2023	October 18, 2026

## DETAILS OF INDEBTEDNESS

The details of facilities availed from Banks are as follows. For more details of other indebtedness please refer “Financials Statements” beginning from page no. 190 of Draft Red Herring Prospectus.

## HUMAN RESOURCES

As of the date of this DRHP, we have 43 full-time employees (including executive directors) and 85 on-site contractual workers such as Engineers, Drivers, JCB Operators, helpers etc. We adhere to a policy of nurturing dedicated talent by conducting regular training programmes. We provide training to our employees both as a commitment to their career development and also to ensure quality service to our customers. These trainings are conducted on joining as part of employee initiation and include additional on-the-job trainings. Following is a department wise employee break-up:

Department	No. of Employees
Top Management including KMPs	4
Accounts & Finance	4
Execution Team	28
Human Resources and Administration	1
Managerial Information Systems	1
Planning and QS	1
Procurements and Contracts	1
Transport	3
<b>Total</b>	<b>43</b>

Following is project based technical staff break-up:

Department	No. of Employees
Transport	80
Stores	2
Execution Team	1
Site Security	2
<b>Total</b>	<b>85</b>

## INSURANCE

We maintain a number of insurance policies to cover different risks related to our projects in accordance with the terms of our agreements and best industry practices. Our insurance policies include vehicle insurance policies such as vehicle insurance and other machinery insurance to cover the damage against all consequential losses as per the terms and conditions of the respective policies. Additionally, we have obtained separate insurance policies for our transports such as Campers, Trucks, Open trucks, Prime movers, Tankers, Tippers and Transit Mixers. These insurance policies insure us against all foreseen hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. However, our insurance coverage may not adequately protect us against all material hazards as the policies may not be sufficient to cover all our economic losses. For further details, see “Risk Factor 29 – Our operations are subject to physical hazards and similar risks that could expose us to material liabilities, loss in revenues and increased expenses.” on page 38.

## CORPORATE SOCIAL RESPONSIBILITY

Our Company has a corporate and social responsibility (“CSR”) committee consisting of our Board of (the “CSR Committee”) comprising Mr. C Rajendran, who is the Chairperson and Independent Director, Mr. Rajan



Ehiraj, Independent Director, and Mrs. Priya Rao, Independent Director and which was constituted during a Board meeting on November 17, 2023. Further, we also have a CSR policy which was approved by our Board on December 11, 2023. The main objective of which is to lay down guidelines for our Company's corporate social responsibility and make it a key business process for sustainable development. We intend to use our business to make a positive impact on society and enhance our image as a credible and reliable business partner. These CSR activities may include, amongst others, efforts to eradicate hunger, healthcare, poverty, promoting education, environment sustainability, and rural development, protection and development of arts, culture, human rights, and animal and social welfare.

The CSR Committee is responsible for (a) formulating and recommending the CSR Policy and expenditure to be incurred on the CSR projects for the Board's approval, and (b) monitoring the various CSR projects and activities to ensure that they are undertaken in accordance with the CSR Policy. The CSR Policy provides that our Board shall endeavour that we spend at least 2% of the average net profits made during the immediately three preceding financial years on CSR activities. The provisions of CSR becomes applicable for FY 2023-24, and we have not yet incurred CSR Expenditures for FY 2023-24.

*This space has been intentionally left blank*

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is an overview of certain sector-specific relevant laws and regulations in India which are applicable to the operations of our Company. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.*

*The statements below are obtained from publications available in the public domain based on the current provisions of applicable Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and our Company or the Book Running Lead Manager are under no obligation to update the same.*

*For details of government approvals obtained by us, see the chapter titled “Government and Other Statutory Approvals” beginning on page 285 of this Draft Red Herring Prospectus.*

### HIGHWAYS RELATED LAWS

#### NATIONAL HIGHWAYS ACT, 1956

The Central Government is responsible for the development and maintenance of ‘National Highways’ and may delegate any function relating to development of ‘National Highways’ to the relevant state government in whose jurisdiction the ‘National Highway’ falls, or to any officer or authority subordinate to the central or the concerned state government. The Central Government may also enter into an agreement with any person (being, either an individual, a partnership firm, a company, a joint venture, a consortium or any other form of legal entity, Indian or foreign, capable of financing from own resources or funds raised from financial institutions, banks or open market) in relation to the development and maintenance of the whole or any part of a ‘National Highway’. Such agreement may provide for designing and building a project and operating and maintaining it, collecting fees from users during an agreed period, which period together with construction period is usually referred to as the ‘concession period’. Upon expiry of the ‘concession period’, the right of the person to collect fees and his obligation to operate and maintain the project ceases and the facility stands transferred to the central government.

Under the National Highways Act, 1956 (the “NH Act”), the Central Government is vested with the power to declare a highway as a national highway and also to acquire land for this purpose. The Central Government may, by notification, declare its intention to acquire any land when it is satisfied that for a public purpose such land is required to be acquired for the building, maintenance, management or operation of a national highway or part thereof. The NH Act prescribes the procedure for such land acquisition which inter alia includes entering and inspecting such land, hearing of objections, declaration of acquisition and the mode of taking possession. The NH Act also provides for payment of compensation to owners and any other person whose right of enjoyment in that land has been affected.

#### NATIONAL HIGHWAYS FEE (DETERMINATION OF RATES AND COLLECTION) RULES, 2008

The National Highways Fee (Determination of Rates and Collection) Rules, 2008 (the “NH Fee Rules”) regulate the collection of fee for the use of a national highway. Pursuant to the NH Fee Rules, Central



Government may, by a notification, levy fee for use of any section of a national highway, permanent bridge, bypass or tunnel forming part of a national highway, as the case may be. However, the Central Government may, by notification, exempt any section of a national highway, permanent bridge, bypass or tunnel constructed through a public funded project from levy of fees. The NH Fee Rules do not apply to the concession agreements executed or bids invited prior to the publication of such rules i.e. December 5, 2008. The collection of fee in case of a public funded project shall commence within 45 days from the date of completion of the project. In case of a private investment project, the collection of such fee shall be made in accordance with the terms of the agreement entered into by the concessionaire. The NH Fee Rules further provide for the base rate of fees applicable for the use of a section of the national highway, permanent bridge, bypass or tunnel, as the case may be, for different categories of vehicles.

## **NATIONAL HIGHWAYS AUTHORITY OF INDIA ACT, 1988**

The National Highways Authority of India Act, 1988 (the “NHAI Act”) provides for the constitution of an authority for the development, maintenance and management of National Highways. Pursuant to the same, the National Highways Authority of India (“NHAI”), was constituted as an autonomous body in 1989 and operationalised in 1995. Under the NHAI Act, Central Government carries out development and maintenance of the national highways system, through NHAI. The NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, the NHAI may enter into contracts exceeding the value so specified, on obtaining prior approval of the Central Government. NHAI Act provides that the contracts for acquisition, sale or lease of immovable property on behalf of the NHAI cannot exceed a term of 30 years unless previously approved by the Central Government.

## **NATIONAL HIGHWAYS DEVELOPMENT PROJECT**

The Government of India, under the Central Road Fund Act, 2000 created a dedicated fund for NHDP (the “Fund”). Certain sources for financing of NHDP are through securitization of cess as well as involving the private sector and encouraging Public Private Partnership (PPP). The NHDP is also being financed through long-term external loans from the World Bank, the ADB and the JBIC as well as through tolling of roads.

### ***Private participation in NHDP***

In an effort to attract private sector participation in the NHDP, the NHAI has formulated model concession agreements where a private entity (the “Concessionaire”) is awarded a concession to build, operate and collect toll on a road for a specified period of time, which is usually up to 30 years. The bidding for the projects takes place in two stages as per the process provided below:

- in the pre-qualification stage, NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and
- in the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

In a BOT project, the Concessionaire meets the up-front cost and expenditure on annual maintenance and recovers the entire cost along with the interest from toll collections during the concession period. To increase the viability of the projects, a capital grant is provided by the NHAI / GoI on a case to case basis. The

Concessionaire at the end of the concession period transfers the road back to the Government. The Concessionaire's investment in the road is recovered directly through user fees by way of tolls. In annuity projects, the private entity is required to meet the entire upfront cost (no grant is paid by NHAI / GoI) and the expenditure on annual maintenance. The Concessionaire recovers the entire investment and predetermined return on investments through annuity payments by NHAI / GoI. In hybrid annuity projects, 40% of the total project cost is to be funded by the government and the remaining by the Concessionaire. The NHAI also forms SPVs for funding road projects. This method of private participation involves very less cash support from the NHAI in the form of equity / debt. Most of the funds come from ports/financial institutions/beneficiary organisations in the form of equity / debt. The amount spent on developments of roads/highways is to be recovered in the prescribed concession period by way of collection of toll fee by the SPV. Tax incentives which are being provided to the private entity are eligible for 100% exemption for any consecutive 10 years out of the first 20 years after completion of a project. The Government has also allowed duty free import of specified modern high-capacity equipment for highway construction.

### **CONTROL OF NATIONAL HIGHWAYS (LAND AND TRAFFIC) ACT, 2002**

The Control of National Highways (Land and Traffic) Act, 2002 (the "Control of NH Act") provides for control of land within national highways, right of way and traffic moving on national highways and also for removal of unauthorised occupation thereon. In accordance with the provisions of the Control of NH Act, the Central Government has established Highway Administrations. Under the Control of NH Act, all land that forms part of a highway which vests in the Central Government, or that which does not already vest in the Central Government but has been acquired for the purpose of highways shall be deemed to be the property of the Central Government. The Control of NH Act prohibits any person from occupying any highway land or discharging any material through on such land without the permission of the Highway Administration. The Control of NH Act permits the grant of lease and license for use of highway land for temporary use.

### **INDIAN TOLLS ACT, 1851**

Pursuant to the Indian Tolls Act, 1851, (the "Tolls Act") the State Governments have been vested with the power to levy tolls at such rates as they deem fit, to be levied upon any road or bridge, made or repaired at the expense of the Central or any state government. The tolls levied under the Tolls Act, are deemed to be 'public revenue'. The collection of tolls can be placed under any person as the state governments deem fit under the Tolls Act, and they are enjoined with the same responsibilities as if they were employed in the collection of land revenue. Further, all police officers are bound to assist the toll collectors in the implementation of the Tolls Act. The Tolls Act further gives power for recovery of toll and exempts certain category of people from payment of toll.

### **PROVISIONS UNDER THE CONSTITUTION OF INDIA AND OTHER LEGISLATIONS ON COLLECTION OF TOLL**

Entry 59, List II of Schedule VII read with Article 246 of the Constitution of India vests the States with the power to levy tolls. Pursuant to the Indian Tolls Act, 1851, the State Governments have been vested with the power to levy tolls at such rates as they deem fit.

### **OTHER LEGISLATIONS RELEVANT TO THE ROAD SECTOR**



In addition to the above, there are also certain other legislations that are relevant to the road sector which include the Road Transport Corporation Act, 1950, National Highways Rules, 1957, National Highways (Temporary Bridges) Rules, 1964, National Highways (Fees for the Use of National Highways Section and Permanent Bridge Public Funded Project) Rules, 1997, National Highways (Rate of Fee) Rules, 1997, National Highways Tribunal (Procedure) Rules, 2003, Central Road and Infrastructure Act, 2000, Central Road Fund (State Roads) Rules 2007 and Green Highways (Plantation, Transplantation, Beautification & Maintenance) Policy, 2015.

## **CORPORATE AND COMMERCIAL LAWS**

### **THE COMPANIES ACT, 2013**

The consolidation and amendment in law relating to the Companies Act, 1956 made way to enactment of the Companies Act, 2013 and rules framed thereunder. The Companies Act deals with 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 provisions of this act shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e. One Person Company. The provisions relating to formation and allied procedures are mentioned in the act.

### **FOREIGN EXCHANGE MANAGEMENT ACT, 1999**

The 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 Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. 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”) 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.

### **SEBI REGULATIONS**

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market, and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.



## **THE COMPETITION ACT, 2002**

The Competition Act, 2002 (the “Competition Act”) 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.

## **CONSUMER PROTECTION ACT, 1986 (COPRA)**

The Consumer Protection Act, 1986 (“COPRA”) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of these authorities attracts criminal penalties.

## **THE INDIAN CONTRACT ACT, 1872 (“CONTRACT ACT”)**

The Indian Contract Act 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of the parties and terms of agreement.

## **ARBITRATION AND CONCILIATION ACT, 1996**

This Arbitration and Conciliation Act, 1996 (“Arbitration Act”) was enacted by the Parliament to consolidate and amend the law relating to domestic arbitration, international commercial arbitration, and enforcement of foreign arbitral awards and also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Arbitration Act is to comprehensively provide domestic arbitration and conciliation and also international and commercial; to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration; to provide that the arbitral



tribunal gives reasons for its arbitral award; to ensure that the arbitral tribunal remains within the limits of its jurisdiction; to minimize the supervisory role of courts in the arbitral process; to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings; to encourage settlement of disputes; to provide that every final arbitral award enforced in the same manner as if it was a decree of the court; to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal; and to provide for enforcement of foreign awards.

### **THE SPECIFIC RELIEF ACT, 1963**

The Specific Relief Act is complimentary to the provisions of the Contract Act and the T.P. 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 the 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.

### **TRANSFER OF PROPERTY ACT, 1882**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (“T.P. Act.”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with.

### **THE REGISTRATION ACT, 1908 (“REGISTRATION ACT”)**

The Registration Act, 1908 (“Registration Act”) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **THE TRADEMARKS ACT, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which can distinguish the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trademark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory



adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

### **THE COPYRIGHT ACT, 1957 (“COPYRIGHT ACT”)**

The Copyright Act grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic, or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire.

### **INDIAN STAMP ACT, 1899 (THE “STAMP ACT”)**

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 INSOLVENCY AND BANKRUPTCY CODE, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

### **NEGOTIABLE INSTRUMENTS ACT, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonoured on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

### **INFORMATION TECHNOLOGY ACT, 2000**

The Information Technology Act, 2000 (also known as ITA-2000, or the IT Act) is an Act of the Indian Parliament (No 21 of 2000) notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. Secondary or subordinate legislation to the IT Act includes the Intermediary Guidelines Rules 2011 and the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rule, 2021. The laws apply to the whole of India.

The Act provides a legal framework for electronic governance by giving recognition to electronic records and digital signatures. It also defines cyber-crimes and prescribes penalties for them. If a crime involves a computer or network located in India, persons of other nationalities can also be indicted under the law. The Act directed



the formation of a Controller of Certifying Authorities to regulate the issuance of digital signatures. It also established a Cyber Appellate Tribunal to resolve disputes arising from this new law.

## **TAXATION LAWS**

### **INCOME-TAX ACT, 1961**

The government of India imposes an income tax on taxable income of all persons including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

### **GOODS AND SERVICE TAX ACT, 2017**

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the Central and State Governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two levels of taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

### **PROFESSIONAL TAX**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## LABOUR LAWS

### **THE EMPLOYEES' PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952 ("EMPLOYEES PROVIDENT FUND AND MISCELLANEOUS PROVISIONS ACT")**

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organisation (EPFO). The following three schemes have been framed under the Act by the Central Government:

- (a) The Employees' Provident Fund Schemes, 1952;
- (b) The Employees' Pension Scheme, 1995; and
- (c) The Employees' Deposit-Linked Insurance Scheme, 1976.

The Central Government has been constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

India has extensive labour related legislations. Certain other laws and regulations that may be applicable to our Company in India include the following which is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Compensation Act, 1923;
- Workmen's Compensation Act, 1923;
- Industrial Employment (Standing orders) Act 1946;
- Child Labour (Prohibition and Regulation) Act, 1986
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Apprentices Act, 1961;
- Weekly Holidays Act, 1942
- Payment of Wages Act, 1936;
- Equal Remuneration Act, 1976;
- Public Liability Insurance Act, 1991;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

## OTHER LAWS

### **FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992 ("FTA")**



The Foreign Trade (Development and Regulation) Act, 1992 read along with relevant rules inter-alia provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. 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.

### **FOREIGN DIRECT INVESTMENT POLICY, 2020**

With the intent and objective of the Government of India to attract and promote foreign direct investment in order to supplement domestic capital, technology and skills, for accelerated economic growth. The Government of India has put in place a policy framework on Foreign Direct Investment, which is transparent, predictable, and easily comprehensible. This framework is embodied in the Circular on Consolidated FDI Policy, which may be updated every year, to capture and keep pace with the regulatory changes effected in the interregnum. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through press notes/press releases which are notified by the RBI as amendments to the FEMA Regulations. These notifications take effect from the date of issue of press notes/ press releases, unless specified otherwise therein. In case of any conflict, the relevant FEMA Notification will prevail. The procedural instructions are issued by the RBI vide A.P. (DIR Series) Circulars. The regulatory framework, over a period, thus, consists of Acts, Regulations, Press Notes, Press Releases, Clarifications, etc.

In addition to the above, our Company is also required to comply with the provisions of the SEBI regulations and rules framed thereunder, and other applicable statutes enacted by the Government of India or relevant state governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

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## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated as AVP Constructions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated September 09, 2009 in Chennai. Subsequently, the name of our Company was changed to “AVP Infracon Private Limited” and a fresh certificate of incorporation consequent upon change of the name was issued by the Registrar of Companies, Chennai dated October 06, 2023. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on October 20, 2023 and the name of our Company was changed from “AVP Infracon Private Limited” to “AVP Infracon Limited” vide a fresh Certificate of Incorporation dated November 17, 2023 having CIN U45400TN2009PLC072861 issued by the Registrar of Companies, Chennai. The registered office of our company is situated at Plot No. E-30, Second Floor, Second Avenue Besant Nagar, Chennai, Tamil Nadu - 600090, India.

### Initial subscribers to the Memorandum of Association of our Company

1. Mr. D Prasanna
2. Mr. B Venkateshwarlu
3. Mr. J Arun Kumar

### Current promoter of our Company

1. Mr. B Venkateshwarlu
2. Mr. D Prasanna

For a description of our activities, services, products, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our services, management, environmental issues, regional geographical segment etc., see “Our Business”, “Industry Overview” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Government and Other Statutory Approvals” on pages 114, 100, 261 and 285 respectively. For details of the management of our Company and its managerial competence, see “Our Management” on page 155.

Except as mentioned below, there has not been any change in our Registered Office since inception till the date of the Draft Red Herring Prospectus.

From	To	Effective Date	Reason for Change
640/6, Pudukottai, Main Road, Opp. Bharathidasan University, Trichy -620024, Tamil Nadu, India	No. 10, Pallavan Street, Indira Nagar, K.K Nagar Post, Tiruchirappalli – 620021, India	March 30, 2019	Administrative convenience
No. 10, Pallavan Street, Indira Nagar, K.K Nagar Post, Tiruchirappalli – 620021, India	Plot No. E-30, Second Floor, IInd Avenue, Besant Nagar, Chennai-600090, Tamil Nadu, India	April 30, 2021	Administrative convenience





## OUR MAIN OBJECTS

The main object(s) of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on in India or elsewhere, either alone or jointly with one or more persons, government, local, or other bodies, the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, taste, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, dig, excavate, renovate, remodel, rebuild, undertake, contribute, assist, and to act as civil engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, sub-contractor, turnkey contractor and manager of all types of infrastructure developmental works, construction works in all its branches such as multistoried buildings, colonies, complexes, housing projects.
2. To carry on in India or elsewhere, either alone or jointly with one or more persons, government, local, or other bodies, the business to acquire, buy, own, sell and deal in landed properties, real estates, take and give lands and buildings on lease and/ or on rental basis, to deal in building materials, plants, machineries, equipments, accessories, parts, tools, fittings, articles, materials, and facilities relating to the building and infrastructural activities.
3. To carry on in India or elsewhere, either alone or jointly with one or more persons, government, local, or other bodies, the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, taste, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, dig, excavate, renovate, remodel, rebuild, undertake, contribute, assist, and to act as civil engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, sub-contractor, turnkey contractor and manager of all types of infrastructure developmental works, construction works in all its branches such as roads, ways, culverts, dams, bridges, railways, water tanks, reservoirs, canals, wharves, warehouses, factories, buildings, structures, drainage & sewage works, water distribution & filtration systems, docks, harbours, irrigation works, foundation works, flyovers, airports, runways, rock drilling, aquaducts, stadiums, hydraulic units, sanitary work, power supply works, power stations, hotels, hospitals, dharmashalas, and other similar works.
4. To build, construct, alter, main, enlarge, pull down, remover or replace and to work, manage and control any buildings, offices factories, mills, shops, machinery, engines, roadways, tramways, railways, branches or sidings bridges, watercourses, wharves, electric works and other works and conveniences which are calculated directly or indirectly to advance the interest of the Company and to join with any person in doing those things.
5. To layout, develop, construct, build, erect, demolish, re-elect, alter repair, remodel or to do any other work in connection with any building or building scheme, roads, highways, docks, sewerage, bridges, canals, wells, springs, dams, power plants, wharves ports, reservoirs, embankments, tramways, railway, irrigations, reclamations, improvements, sanitary, water, gas, electric light, brick, kilns or crushers or any other structural work of any kind whatsoever and for such purpose to prepare estimates, design plans, specifications or other models and do such other act that may be required thereof.
6. To carry on and do business as land developers, township developers, Satellite Town promotes, developers of housing colonies, real estate dealers by developing and turning to account any land acquired by the



Company or in which it is interested or may get interested and in particular by laying out, providing convenience like roads, drainages, play grounds, recreation facilities, prayer halls, community halls, water and power facilities, cinema theatres, constructing residential, commercial accommodations and selling them on ownership basis, hire purchase basis or letting them out on lease or rental basis.

7. To carry on the business of construction work comprising of civil works, civil engineers, civil contractors and to undertake projects and contracts for Government and Government Departments or authorities and undertake either alone and jointly with any other company or persons, works of all distinction like construction, renovation, repairs, widening, paving, resurfacing of roads, upgrading, strengthening of roads, flyovers, highways, tunnels or bridges of all types of R.C.C. and post-tensioned cement concrete works, reinforced cement concrete works, granting, rock-cutting, reclamations, cement gutting, waterproofing works, painting, decorating and to purchase, acquire, contract, erect, repair and maintaining of structures, flyovers, tunnels, dams, earth tunnels, towers, reservoirs, drains and culverts, trenches, embankments, irrigation works, reclamations, land improvement, sewerage and sanitary works.

## KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

Year	Event
2020	Have achieved appreciation for pouring cubic metres of Concrete on a record time of 60 hours for a sewage treatment plant project in Tiruppur.
2021	Awarded contract of ₹ 6,563.48 lakhs from Government of Tamil Nadu for NH 48
2023	Awarded contract of ₹ 14,535.02 lakhs from Government of Tamil Nadu for NH 209 (NH Madurai Circle) to joint ventures of M/s Jawahar Constructions and AVP Infracon Limited
2023	Revenue generated from operations crossed the earmarked ₹ 10,000 lakhs target.
2023	NH 48 – Road Construction Completed
2023	NH 67 – Road Construction completed
2023	LC 132 – Road Construction completed

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Since incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholder's Approval	Amendment
March 27, 2017	The Initial Authorized Share Capital of ₹ 100, 000 (Rupees One Lakh only) consisting of 10,000 Equity shares of face value of ₹ 10/- each was increased to ₹ 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity Shares of face value of ₹10/- each.
March 30, 2018	The Authorized Share Capital of ₹ 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity Shares of face value of ₹ 10/- each was increased to ₹ 1,00,00,000 (Rupees One Crore only) consisting of 10,00,000 Equity Shares of face value of ₹10/- each.
November 10, 2021	The Authorized Share Capital of ₹ 100,00,000 (Rupees One Crore only) consisting of 10,00,000 Equity Shares of face value of ₹ 10/- each was increased to ₹ 5,00,00,000 (Rupees Five Crore only) consisting of 50,00,000 Equity Shares of face value of ₹ 10/- each.



September 11, 2023	Alternation in the object clause of the Company.
September 11, 2023	The name of our Company was changed to ‘AVP Infracon Private Limited’ and a fresh certificate of incorporation consequent upon change of the name was issued by the Registrar of Companies, Chennai dated October 06, 2023.
September 30, 2023	The Authorized Share Capital of ₹ 5,00,00,000 (Rupees Five Crore only) consisting of 50,00,000 Equity Shares of face value of ₹ 10/- each was increased to ₹ 25,00,00,000 (Rupees Twenty Five Crore only) consisting of 2,50,00,000 Equity Shares of face value of ₹10/- each.
October 20, 2023	Conversion of our Company from private to Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on and the name of our Company was changed from “AVP Infracon Private Limited” to “AVP Infracon Limited” vide a fresh Certificate of Incorporation dated November 17, 2023.
December 15, 2023	Deletion of heading Clause IIIB, “OBJECTS INCIDENTAL TO THE ATTAINMENT OF THE MAIN OBJECTS ARE:” and replacing it with the heading “MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(B) and substituting existing sub clause one (01) to Thirty Five (35).
December 15, 2023	Deletion of main object clause IIIC of MOA
December 15, 2023	Amendment to clause IV of MOA – The liability of members is limited and this liability is limited to the amount unpaid, if any, on shares held by them.

#### **ADOPTING NEW ARTICLES OF ASSOCIATION OF THE COMPANY**

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated October 20, 2023.

#### **HOLDING COMPANY OF OUR COMPANY**

Our Company has no holding company as on the date of filing of this Draft Red Herring Prospectus.

#### **SUBSIDIARY COMPANY OF OUR COMPANY**

Our Company has no subsidiary company as on the date of filing of this Draft Red Herring Prospectus

#### **ASSOCIATE COMPANIES**

Our Company does not have any associate Companies as on the date of filing of this Draft Red Herring Prospectus, except the following Companies:

1. AVP RMC (Registered Firm)
2. AVP Associates (Partnership Firm)
3. AVP SRR Readymix LLP (*\*under in the striking off process*)

For detail information about the profile, business, financials, please see the chapter “Our Group Entities” beginning on page 183.

## DETAILS OF MERGERS AND ACQUISITIONS

There has been no merger or acquisitions of businesses or undertakings in the history of the Company.

## JOINT VENTURES OF OUR COMPANY

Our Company does not have joint ventures as on the date of this Draft Red Herring Prospectus, except as specified below:

### 1. JC-AVP (JV) Joint Venture

JC-AVP (JV) Joint Venture established pursuant to a partnership deed executed between our Company and M/s Jawahar Constructions, agreed upon pursuant to the joint bidding agreement for joint venture dated March 07, 2023 (“JV Agreement”).

#### Objects for which the partnership is constituted for

JC-AVP (JV) has been formed to carry on the Road Contract work, particularly for the work of Four laning of Oddanchatram to Palani section from Km 30/700 to KM 55/000 of NH 209 (New NH-83) including footpath for pedestrian and way side amenities except from 37/870 to 38/130, from Km 39/200 to Km 41/000, from Km 43/400 to Km 44/100, from Km 39/200 to Km 41/1000, from Km 43/400 to Km 44/100, from Km 47/400 to Km 51/000 and from Km 52/200 to Km 52/965 on EPC mode under Annual Plan 2022-23 in the state of Tamil Nadu. For the convenience and other reasons the above work should be executive through the sub-lessor M/s. Jawahar Constructions and also the maintenance work if any as per contract after completion of the above said road work should be done by the said M/s. Jawahar Constructions. The nominal value charges of 1% will be charged from the sub-lessor

#### Address of JC-AVP (JV)

The principal place of business of the partnership is to be situated at No. 68A, Anna Nagar, Jawahar Illam, Palani.

The partnership structure is as below:

Partner Name	Capital (in ₹ lakhs)	% of Partnership
M/s. Jawahar Constructions	9.00	90.00%
AVP Infracon Limited	1.00	10.00%

### 2. CDR-AVP (JV) Joint Venture

CDR-AVP (JV) Joint Venture is and unincorporated joint venture arrangement between our and M/s CDR & Co Constructions, agreed upon pursuant to the joint bidding agreement for joint venture dated August 20, 2023 (“JV Agreement”).

#### Objects for which the joint ventures is constituted for



Widening to two lane with pave shoulder from KM 34/250 to Km 71/675 of Khammam-Kurvi section of NH365A in the State of Telangana under Annual Plan 2022-23 on Engineering, Procurement and Construction (EPC) Basis through EPC Contract. As of the date of this DRHP, CDR-AVP (JV) has submitted for the tender only, and work order has not been awarded yet.

#### **Share of work in Project**

<b>Name</b>	<b>% of work</b>
M/s CDR & Co Constructions	80.00%
AVP Infracon Limited	20.00%

#### **INJUNCTIONS OR RESTRAINING ORDERS**

Except as stated in the section titled “Outstanding Litigation and Material Developments” on page 281 there are no injunctions or restraining orders against our Company or Associate Companies.

#### **TIME/ COST OVERRUN**

Except as disclosed in “Risk Factors 38 – Our projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect our business, financial condition, results of operations, and prospects.” on page 42. In the past were delay in completion of project due to weather and climatic conditions, non availability of raw materials, COVID breakdown., other than that our Company has not experienced any time or cost overruns in relation to any projects.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS**

There has not been any change in the activities of Our Company during the last five years. For details in relation to our activities, refer to section titled “Our Business” beginning on page 114.

#### **TECHNOLOGY, MARKET COMPETENCE AND CAPACITY BUILD-UP**

For details on the technology, market competence and capacity build-up of our Company, please refer to the chapter titled "Our Business" beginning on page 114.

#### **DETAILS OF PAST PERFORMANCE**

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled “Financial Statements” beginning on page 190.

#### **EXCLUSIVE AGREEMENT**

As on date of this Draft Red Herring Prospectus, Our Company has not entered into an exclusive agreement.

## **NON-COMPETE AGREEMENT**

Our Company has not entered into any Non- compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

## **SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholder's agreement as on date of filing of this Draft Red Herring Prospectus

## **GUARANTEES GIVEN BY OUR COMPANY**

Our Company has not provided any guarantee as on the of this Draft Red Herring Prospectus.

## **RESTRICTIVE COVENANTS IN LOAN AGREEMENTS**

For details in relation to Restrictive Covenants in Loan Agreements, please see the chapters "Financial Indebtedness" beginning on page 274.

## **UNSECURED LOANS**

For details in relation to Restrictive Covenants in Loan Agreements, please see the chapters "Financial Indebtedness" beginning on page 274.

## **STRATEGIC/ FINANCIAL PARTNERS**

Our Company has no strategic and financial partners as on the date of filing of this Draft Red Herring Prospectus.

## **CONVERSION OF LOANS INTO EQUITY SHARES**

There has been no incident of conversion of loans availed from Banks into equity shares as on the date of filing of this Draft Red Herring prospectus. However, pursuant to the board meeting dated March 31, 2018, 6,90,000 equity shares were allotted to Mr. D Prasanna and Mr. B Venkateshwarlu for loan conversion into equity shares.

## **CAPITAL RAISING ACTIVITIES THROUGH EQUITY**

For details in relation to our capital raising activities through Equity, please see the chapters "Capital Structure" beginning on page 66.

## **STRIKE AND LOCK-OUTS**

We have not faced any strikes or lock-outs in our operations since our incorporation.

## **CHANGES IN THE MANAGEMENT**

For details of change in Management, please see chapter titled "Our Management" on page 155.



## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS**

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Red Herring Prospectus.

## **NUMBER OF SHAREHOLDERS**

Our Company has Nine (9) shareholders on date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “Capital Structure” beginning on page 66.

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## OUR MANAGEMENT

### BOARD OF DIRECTORS

*As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Red Herring Prospectus, our Board consist of 7 (Seven) Directors out of which 3 (Three) are Executive Directors and 4 (Four) are Non-Executive Director out of which 3 (Three) are Independent Directors. The Company has 2 (Two) Women Directors. Mr. D Prasanna is the Chairman, Managing Director and Chief Executive Officer of the Company.*

Sr. No.	Name	DIN	Category	Designation
1.	Mr. D Prasanna	02720759	Executive	Chairman, Managing Director & Chief Executive Officer
2.	Mr. B Venkateshwarlu	02720729	Executive	Joint Managing Director
3.	Mr. Vasanth D	10330344	Executive	Whole Time Director
4.	Mrs. D Bhagyavathy	10341505	Non-Executive	Director
5.	Mrs. Priya Rao	00717336	Non-Executive	Independent Director
6.	Mr. C Rajendran	10345090	Non-Executive	Independent Director
7.	Mr. Rajan Ethiraja	09688086	Non-Executive	Independent Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	Details
1.	<b>Name</b>	<b>Mr. D Prasanna</b>
	Father's Name	Mr. Dhandayuthapani
	Address	2/632 C, Narmada Street 4th Main Road River View Enclave, Manapakkam, Kancheepuram, Tamil Nadu - 600125
	Date of Birth	January 10, 1980
	Age	43 years
	Designation	Chairman, Managing Director and CEO
	Status	Executive Director
	DIN	02720759
	Occupation	Business
	Nationality	Indian
	Qualification	He completed his Bachelor of Engineering in Computer Science and Engineering in 2001 from Bharathidasan University, Tamil Nadu.
	No. of Years of Experience	18 years
	Current Terms	Appointed for 3 years w.e.f. October 01, 2023, liable to retire by rotation.
	Period of Directorship	Director since September 09, 2009

	Other Directorship	<b>India Private Companies:</b> Nil  <b>India Public Companies:</b> Nil  <b>Section 8 Companies:</b> Nil  <b>Indian LLPs:</b> AVP SRR Readymix Concretes LLP ( <i>*under the striking off process</i> )
2.	<b>Name</b>	<b>Mr. B Venkateshwarlu</b>
	Father's Name	Mr. Krishnamurthy
	Address	F-408, Purva Amaiti, Tiruchi Road, Behind shanthi Social Service, Singanallur, Coimbatore, Tamil Nadu-641005
	Date of Birth	July 17, 1981
	Age	42 Years
	Designation	Joint Managing Director
	Status	Executive Director
	DIN	02720729
	Occupation	Business
	Nationality	Indian
	Qualification	He completed his Bachelor of Engineering in Information Technology in 2002 from Bharathidasan University, Tamil Nadu.
	No. of Years of Experience	18 Years
	Current Terms	Appointed for 3 years w.e.f. October 01, 2023, liable to retire by rotation.
	Period of Directorship	Director since September 09, 2009
	Other Directorship	<b>India Private Companies:</b> Nil  <b>India Public Companies:</b> Nil  <b>Section 8 Companies:</b> Nil  <b>Indian LLPs:</b> AVP SRR Readymix Concretes LLP ( <i>*under the striking off process</i> )
3	<b>Name</b>	<b>Mr. Vasanth D</b>
	Father's Name	Mr. Dhandayuthapani
	Address	10, Pallavan Street, Indra Nagar, Tiruchirappalli, K. K Nagar, Tamil Nadu - 620021
	Date of Birth	March 18, 1983

	Age	40 years
	Designation	Whole Time Director
	Status	Executive Director
	DIN	10330344
	Occupation	Business
	Nationality	Indian
	Qualification	He completed his Bachelor of Engineering in Computer Science and Engineering in 2006 from Bharathidasan University, Tamil Nadu.
	No. of Years of Experience	13 years
	Current Terms	Appointed for 3 years w.e.f. October 20, 2023, liable to retire by rotation.
	Period of Directorship	Director since October 20, 2023
	Other Directorship	<b>India Private Companies:</b> Nil  <b>India Public Companies:</b> Nil  <b>Section 8 Companies:</b> Nil  <b>Indian LLPs:</b> Nil
4	<b>Name</b>	<b>Mrs. D Bhagyavathy</b>
	Father's Name	Mr. Swaminathan
	Address	No. 10, Pallavan Street, Indira Nagar, K.K Nagar, Tiruchirappalli, Tamil Nadu- 620021
	Date of Birth	June 01, 1956
	Age	67 Years
	Designation	Director
	Status	Non- Executive Director
	DIN	10341505
	Occupation	Business
	Nationality	Indian
	Qualification	She has completed her Secondary High School from George High School, Vishnupuram, Thanjayur, Tamil Nadu in year 1973.
	No. of Years of Experience	10 years in the administration field
	Current Terms	Appointed w.e.f. October 20, 2023, liable to retire by rotation.
	Period of Directorship	Director since October 20, 2023
	Other Directorship	<b>India Private Companies:</b> Nil  <b>India Public Companies:</b> Nil  <b>Section 8 Companies:</b>

		Nil  <b>Indian LLPs:</b> Nil
5	<b>Name</b>	<b>Mrs. Priya Rao</b>
	Father's Name	Mr. G R V Natt
	Address	2B, Tennis Towers, 40, 4 <sup>th</sup> Main Road, Rajaji Bhavan, Besant Nagar, Chennai, Tamil Nadu - 600090
	Date of Birth	July 07, 1974
	Age	49 Years
	Designation	Independent Director
	Status	Non-Executive Director
	DIN	00717336
	Occupation	Business
	Nationality	Indian
	Qualification	She has done Graduate Diploma in General Management from the Narsee Monjee Institute of Management Studies University, Bengaluru , Bachelor of Commerce from University of Madras.
	No. of Years of Experience	17 Years
	Current Terms	Appointed for 5 years w.e.f. October 20, 2023, not liable to retire by rotation.
	Period of Directorship	Director since October 20, 2023
	Other Directorship	<b>India Private Companies:</b> Blue Planet Energy Systems Limited  <b>India Public Companies:</b> Nil  <b>Section 8 Companies:</b> Nil  <b>Indian LLPs:</b> Nil
6	<b>Name</b>	<b>Mr. C Rajendran</b>
	Father's Name	Mr. Poothth Chellasamy
	Address	B1A, Jains Westminster, 34 Arunachalam Road, Saligramam, Chennai, Tamil Nadu- 600093
	Date of Birth	September 28, 1963
	Age	60 Years
	Designation	Independent Director
	Status	Non-Executive Director
	DIN	10345090
	Occupation	Retired from Central Government Service
	Nationality	Indian

	Qualification	Diploma of Civil Engineering from Director of Technical Education, Guindy, Tamil Nadu
	No. of Years of Experience	38 Years
	Current Terms	Appointed for 5 years w.e.f. October 20, 2023, not liable to retire by rotation.
	Period of Directorship	Director since October 20, 2023
	Other Directorship	<b>India Private Companies:</b> Nil  <b>India Public Companies:</b> ABS Marine Services Limited  <b>Section 8 Companies:</b> Nil  <b>Indian LLPs:</b> Nil
7	<b>Name</b>	<b>Mr. Rajan Ethiraja</b>
	Father's Name	Mr. Ethiraja
	Address	Old No. 34, Pallappan Street, Near ICE House Masjid Opp. Ellaianman Arch, Triplicane, Chennai, Tamil Nadu- 600005
	Date of Birth	August 22, 1979
	Age	44 Years
	Designation	Independent Director
	Status	Non-Executive Director
	DIN	09688086
	Occupation	Service
	Nationality	Indian
	Qualification	Bachelor of Commerce from University of Madras in year 2000
	No. of Years of Experience	20 Years
	Current Terms	Appointed for 5 years w.e.f. November 17, 2023, not liable to retire by rotation.
	Period of Directorship	Director since November 17, 2023
	Other Directorship	<b>India Private Companies:</b> Nil  <b>India Public Companies:</b> Nil  <b>Section 8 Companies:</b> Nil  <b>Indian LLPs:</b> Nil

#### BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY



**Mr. D Prasanna**, aged 43 years, is the Promoter, Chairman, Managing Director and Chief Executive Officer of our Company. A visionary leader with high goals is the pillar behind the growth of the company in leaps and bounds. He has done Bachelor of Engineering in Computer Science and Engineering in 2001 from Bharathidasan University, Tamil Nadu. With a background in various roles in different companies, his dream was to establish his own organization. Recognizing the need for diversification, he chose the construction industry in 2008. Prasanna's excellent interpersonal skills secured early contracts, and his innovation and hard work expanded the company into State and National highways, government departments, and Ready Mix Concrete units nationwide. As a two-term president of the Lions Club and a member for over two decades, he received an Honorary doctorate for philanthropic efforts from World Tamil University.

**Mr. B Venkateshwarlu**, aged 42 years, is the Promoter and Managing Director of the Company. He completed his Bachelor of Engineering in Information Technology in 2002 from Bharathidasan University, Tamil Nadu. A tech savvy leader has led to the growth of the company by executing each and every project of the company to perfection whilst making profits all along. He always had entrepreneurial goals, he worked for few companies and the cooperative bank in Telangana as a Network engineer and a qualified CCNA professional. Mr. B Venkateshwarlu fondly known as BVK by associates always has an eye for latest technology and is highly efficient in macro management and known for his persistence his never-ending business conversation with his partners are the building blocks of the company. His stubborn nature was the key to the company's execution of every project on time. He was known to the entire vertical of every department he worked with ensuring smooth work progress.

**Mr. Vasanth D**, aged 40, serves as the Whole Time Director of our company. Proudly identifying as a "salesman," he plays a crucial role in promoting the brand and excels in commercial dealings, contributing to the company's market leadership in various ventures. He has obtained a Bachelors degree in engineering from Bharathidasan University and placed from the campus he worked with Naukri.com, Bangalore in add space and database selling in which he excelled and made break through and attached renowned clients like Infosys and Tata for the first time to his employers which worthed a fortune. He trained the best of best recruiters he always wanted to have his own recruitment firm which eventually happened in 2009. After a brief period in real estate and residential construction, Vasanth turned his focus to the commercial Ready Mix Concrete (RMC) wing of AVP Infracon, contributing to its exponential growth.

**Mrs. D Bhagyavathy**, aged 67 years, is a Non-Executive Director of AVP Infracon Limited. She has an experience of around 10 years in the administration field. She has completed her Secondary High School from George High School, Vishnupuram, Thanjayur, Tamil Nadu in year 1973.

**Mrs. Priya Rao**, aged 49, is an independent director of the company, bringing a wealth of experience with a 17+ years career in governance, finance, and marketing. Holding a Graduate Diploma in General Management from Narsee Monjee Institute of Management Studies University, Bengaluru and Bachelor of Commerce from University of Madras, she is recognized for exemplary leadership and strategic acumen. With a B. Com degree from the University of Madras, Mrs. Priya has a strong background in marketing, leaving a lasting impact as a Marketing Manager at Matrebyte. Her expertise includes overseeing operational aspects such as ISO, NAAC, NBA, IQAC, and AICTE compliance, as well as executing Quality Improvement and Process Enhancement projects. Known for identifying skill gaps and implementing tailored training programs aligned with business objectives, Priya stands as a distinguished professional with a relentless pursuit of excellence in the corporate landscape.

**Mr. C Rajendran**, aged 60 years, is the independent director of the Company. He holds a Diploma in Civil Engineering from Director of Technical Education, Guindy, Tamil Nadu. He joined all India Engineering Service



(Civil), as Junior Engineer. He has rich experience and deep knowledge in all the key areas of civil engineering viz., structural design, planning and construction of works, project management, maintenance. He served in Valuation Cell of Income Tax Department for Tamil Nadu, Pondicherry and Kerala. He worked with Tamil Nadu Trade Promotion Organization as Engineering Head on deputation in charge of major project. He is a recipient of the Director General Medal of CPWD under award for excellence as recognition of his meritorious service.

**Mr. Rajan Ethiraja**, aged 44 years, is the Independent Director of the Company. He completed his Bachelor of Commerce from University of Madras in year 2000. As the Vice President - HR & Operations at Phantom FX, he leads global human capital and operations for a creative studio in AVGC-XR. With 20+ years of industry experience, he excels in aligning HR strategies with business goals, talent management, fostering innovation, and ensuring operational efficiency. His core competencies include developing and executing human resources strategies that align with the overall business vision and goals, managing talent acquisition and retention, fostering a culture of collaboration and innovation, ensuring compliance with laws and regulations, and optimizing the performance and efficiency of the operations. He contributes to skill development in media and entertainment through the Media and Entertainment Skills Council (MESC).

**Note:**

*As on the date of the Draft Red Herring Prospectus:*

- 1) None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.*
- 2) None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.*
- 3) None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.*
- 4) None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filing of this Draft Red Herring Prospectus.*
- 5) None of Promoters or Directors of our Company are a fugitive economic offender.*
- 6) None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.*
- 7) In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.*

## **FAMILY RELATIONSHIP BETWEEN DIRECTORS**

Except as stated below, none of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:





Sl. No.	Name of the Director	Relationships
1.	Mr. D Prasanna and Mrs. D Bhagyavathy	Son – Mother
2.	Mr. Vasanth D and Mrs. D Bhagyavathy	Son – Mother
3.	Mr. D Prasanna and Mr. Vasanth D	Brother - Brother

#### ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above-mentioned Directors was selected as director or member of senior management.

#### APPOINTMENT TERMS, COMPENSATION AND BENEFITS TO THE EXECUTIVE DIRECTORS ARE AS FOLLOWS: -

Name	Mr. D Prasanna
Designation	Chairman, Managing Director and Chief Executive Officer
Period	Appointed for 3 years w.e.f. October 01, 2023
Date of approval of shareholder	September 09, 2023
Remuneration	₹ 10,00,000/- per month
Perquisite	<p><u>Category A</u></p> <ul style="list-style-type: none"> <li>Medical Reimbursement for self and family as per the rules of the Company.</li> <li>Leave Travel Reimbursement of domestic &amp; foreign along with family as per the rules of the Company.</li> </ul> <p><u>Category B</u></p> <ul style="list-style-type: none"> <li>Contribution to Provident Fund, Superannuation Fund, Annuity Fund or Gratuity as per the rules of the Company.</li> <li>Encashment of leave as per the rules of the Company.</li> </ul> <p><u>Category C</u></p> <ul style="list-style-type: none"> <li>Car, telephone at residence and mobile phone for use on Company's business.</li> <li>All other terms and conditions as applicable to employees of the Company.</li> </ul>

Name	Mr. B Venkateshwarlu
Designation	Joint Managing Director
Period	Appointed for 3 years w.e.f. October 01, 2023
Date of approval of shareholder	September 09, 2023
Remuneration	₹ 9,00,000/- per month
Perquisite	<p><u>Category A</u></p> <ul style="list-style-type: none"> <li>Medical Reimbursement for self and family as per the rules of the Company.</li> </ul>

	<ul style="list-style-type: none"> <li>• Leave Travel Reimbursement of domestic &amp; foreign along with family as per the rules of the Company.</li> </ul> <p><u>Category B</u></p> <ul style="list-style-type: none"> <li>• Contribution to Provident Fund, Superannuation Fund, Annuity Fund or Gratuity as per the rules of the Company.</li> <li>• Encashment of leave as per the rules of the Company.</li> </ul> <p><u>Category C</u></p> <ul style="list-style-type: none"> <li>• Car, telephone at residence and mobile phone for use on Company's business.</li> <li>• All other terms and conditions as applicable to employees of the Company.</li> </ul>
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Name	Mr. Vasanth D
Designation	Whole Time Director
Period	Appointed for 3 years w.e.f. October 20, 2023, liable to retire by rotation.
Date of approval of shareholder	October 20, 2023
Remuneration	₹ 7,50,000/- per month
Perquisite	<p><u>Category A</u></p> <ul style="list-style-type: none"> <li>• Medical Reimbursement for self and family as per the rules of the Company.</li> <li>• Leave Travel Reimbursement of domestic &amp; foreign along with family as per the rules of the Company.</li> </ul> <p><u>Category B</u></p> <ul style="list-style-type: none"> <li>• Contribution to Provident Fund, Superannuation Fund, Annuity Fund or Gratuity as per the rules of the Company.</li> <li>• Encashment of leave as per the rules of the Company.</li> </ul> <p><u>Category C</u></p> <ul style="list-style-type: none"> <li>• Car, telephone at residence and mobile phone for use on Company's business.</li> <li>• All other terms and conditions as applicable to employees of the Company.</li> </ul>

## TERMS AND CONDITIONS FOR NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

Our Company will not pay any remuneration to the Non-Executive and Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.



Pursuant to the resolution passed by the Board of Directors of our Company on October 20, 2023, the Independent Directors of our Company would be entitled to a sitting fee of ₹ 20,000/- for every meeting of the Board of Directors and Committees of the Board attended by them.

## SHAREHOLDING OF DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Draft Red Herring Prospectus:

Sl. No.	Name of the Directors	No. of Equity Shares held	% of pre-issue paid-up Equity Share capital	% of post-issue paid-up Equity Share capital*
1.	Mr. D Prasanna	83,62,493	46.46%	33.48%
2.	Mr. B Venkateshwarlu	57,00,000	31.67%	22.82%
3.	Mr. Vasanth D	3,75,000	2.08%	1.50%
4.	Mrs. D Bhagyavathy	1,87,500	1.04%	0.75%
5.	Mrs. Priya Rao	Nil	Nil	Nil
6.	Mr. C Rajendran	Nil	Nil	Nil
7.	Mr. Rajan Ethiraja	Nil	Nil	Nil

*\*Considering full subscription*

## INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Issue. All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors



himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

### ***Interest in promotion of Our Company***

Except Promoters, none of our Directors have any interest in the promotion of our Company.

### ***Interest in the property of Our Company***

Except as stated/referred to in the heading titled “Immovable Property” beginning on page 134. Our directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

### ***Interest in the business of Our Company***

Save and except as stated otherwise in “Related Party Transaction” in the chapter titled “*Financial Statements*” beginning on page number 190 of this Draft Red Herring Prospectus, our directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

## **DETAILS OF SERVICE CONTRACTS**

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.

## **BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS**

There is no bonus or profit-sharing plan for the Directors of our Company.

## **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

No Director has received or is entitled to any contingent or deferred compensation.

## **OTHER INDIRECT INTEREST**

Except as stated in chapter titled “*Financial Statements*” beginning on page 190 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

## **BORROWING POWER OF THE BOARD**



In terms of the special resolution passed in the Extra Ordinary General Meeting of our Company held on October 20, 2023, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of monies from time to time notwithstanding that the money or monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital of the Company, its free reserves and securities premium, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) may exceed the aggregate of the paid up capital of the Company and free reserve, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of Rs. 25,000/- lakhs.

## CHANGES IN THE BOARD OF DIRECTORS

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Name of the Director	Date of Appointment / Change in designation / Resignation	Reason for Change
Mr. Rajan Ethiraja	17/11/2023	Appointed as Independent Director
Mr. Vasanth D	20/10/2023	Appointed as Whole Time Director
Mrs. D Bhagyavathy	20/10/2023	Appointed as Non -Executive Director
Ms. Priya Rao	20/10/2023	Appointed as Independent Director
Mr. C Rajendran	20/10/2023	Appointed as Independent Director
Mr. D Prasanna	01/10/2023	Reappointment as Managing Director and Appointment as CEO
Mr. B Venkateshwarlu	01/10/2023	Appointment as Joint Managing Director

## CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee



3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

## AUDIT COMMITTEE

The Audit Committee was constituted *vide* Board resolution dated November 17, 2023 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mrs. Priya Rao	Chairman	Independent Director
Mr. C Rajendran	Member	Independent Director
Mr. Rajan Ethiraja	Member	Independent Director

**The Audit Committee shall vested with the following roles and responsibilities and powers:**

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. 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 being included in the Directors 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, 2013;
  - 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;
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.



7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors on any significant findings and follow up thereon.
15. 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.
16. Discussion 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.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
21. Implementation of Indian Accounting Standards as and when they become(s) applicable to the Company.
22. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger,





amalgamation etc., on the company and its shareholders.

24. Monitoring the end use of funds raised through public offers and related matters.

**The Audit Committee shall mandatorily review the following information:**

1. Management Discussion and Analysis of financial condition and results of operations.
2. Management letters/letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit reports relating to internal control weaknesses.
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. Statement of deviations:
  - a) Half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7).

**Powers of the Audit Committee:**

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

The Audit Committee is required to meet at least four times in a year. The quorum will be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

The Company Secretary of the Company shall act as the Secretary of the Committee.

Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall also cease to be a member of the Audit Committee.



## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on November 17, 2023. As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Rajan Ethiraja	Chairman	Independent Director
Mr. C Rajendran	Member	Independent Director
Mrs. Priya Rao	Member	Independent Director

### The Nomination and Remuneration Committee shall vested with the following roles and responsibilities and powers:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- For every appointment of an independent director, 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 for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- To formulate criteria for evaluation of performance of independent directors and the board of directors
- Ensure that our Company has in place a programme for the effective induction of new directors;
- Recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- Authorized at its duly convened meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;
- Review, on an ongoing basis, the structure of the board, its committees and their inter relationship;
- Implement, supervise and administer any share or stock option scheme of our Company;
- Recommend to the board, all remuneration, in whatever form, payable to senior management; and



10. Attend to any other responsibility as may be entrusted by the Board within the terms of reference.

The Nomination and Remuneration Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, but there should be a minimum of two independent members present.

The Company Secretary of the Company shall act as the Secretary of the Committee

Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall also cease to be a member of the Nomination and Remuneration Committee.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee has been formed by the Board of Directors at the meeting held on November 17, 2023. As on the date of this Draft Red Herring Prospectus the Stakeholders' Relationship Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mrs. Priya Rao	Chairman	Independent Director
Mr. C Rajendran	Member	Independent Director
Mr. Rajan Ethiraja	Member	Independent Director

**The Stakeholders' Relationship Committee shall vested with the following roles and responsibilities and powers:**

1. To resolve the grievances of the security holders of the company 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. To review of measures taken for effective exercise of voting rights by shareholders.
3. To review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. To 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.

The Stakeholder Relationship Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Stakeholder Relationship Committee whichever is greater, but there should be a minimum of two independent members present.

The Company Secretary of the Company shall act as the Secretary of the Committee

Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall also cease to be a member of the Stakeholder Relationship Committee.



## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been formed by the Board of Directors at the meeting held on November 17, 2023. As on the date of this Draft Red Herring Prospectus the Corporate Social Responsibility Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. C Rajendran	Chairman	Independent Director
Mrs. Priya Rao	Member	Independent Director
Mr. Rajan Ethiraja	Member	Independent Director

The terms of CSR Policy adopted by the Company are as follows:

### Focus Area

In accordance with requirements of the Companies Act, 2013, the Company's CSR programs shall mainly focus on the following areas:

- Vocational Skill development programs
- Partnerships to preserve & promote indigenous heritage, culture, arts and handicrafts
- Disaster relief and rehabilitation programs
- Income-generation and livelihood enhancement programs

However, the Company may choose to undertake additional CSR Activities falling within the purview of Schedule VII of the Act, as may be amended from time to time, based on the recommendation of the CSR Committee and as may be approved by the Board of Directors.

### CSR Budget

The amount to be spent by the Company shall be stipulated under the Act, as amended from time to time (presently 2% of the Average Net Profits of the Company for the preceding three financial years) and as approved by the Board. Any surplus arising out of the CSR projects or programs or activities shall not form part of business profits of the Company.

### Responsibilities of the Board of Directors

The Board shall be responsible for —

- Approving the CSR policy of the Company as may be recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
- Ensuring that in each financial year the Company spends such amounts for CSR activities as may be stipulated in the Act, as amended from time to time. (presently 2% of the average net profits of the Company made during the three immediate preceding financial years)
- Ensuring that the activities as are included in the CSR Policy are undertaken by the Company itself or through the entities recognized for CSR implementation under the Companies (Corporate Social



Responsibility Policy) Rules ("CSR Rules") as amended from time to time.

- Satisfying itself that the funds so disbursed have been utilized for the purposes and in the manner intended.
- Monitoring the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation and making modifications, if any, for smooth implementation of the projects within the overall permissible time period.
- Approving an Annual Action Plan as may be recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit, based on the reasonable justification to that effect.
- Ensuring that the administrative overheads do not exceed five percent of total CSR expenditure of the Company for the financial year
- Approving, by means of a resolution, the carry forward of excess amounts spent towards CSR during a particular financial year against the CSR obligations of the Company for upto three immediately succeeding financial years
- Reviewing the Impact Assessment Reports to be annexed to the Company's annual report on CSR activities
- Displaying the composition of the CSR Committee, CSR Policy and CSR Projects approved by it on the Company's website

## RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been formed by the Board of Directors at the meeting held on November 17, 2023. As on the date of this Draft Red Herring Prospectus the Risk Management Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. C Rajendran	Chairman	Independent Director
Mrs. Priya Rao	Member	Independent Director
Mr. Rajan Ethiraja	Member	Independent Director

**The Risk Management Committee shall vested with the following roles and responsibilities and powers:**

1. To formulate a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;



6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Risk Management Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Risk Management Committee whichever is higher, but there should be a minimum of one member of the board of director.

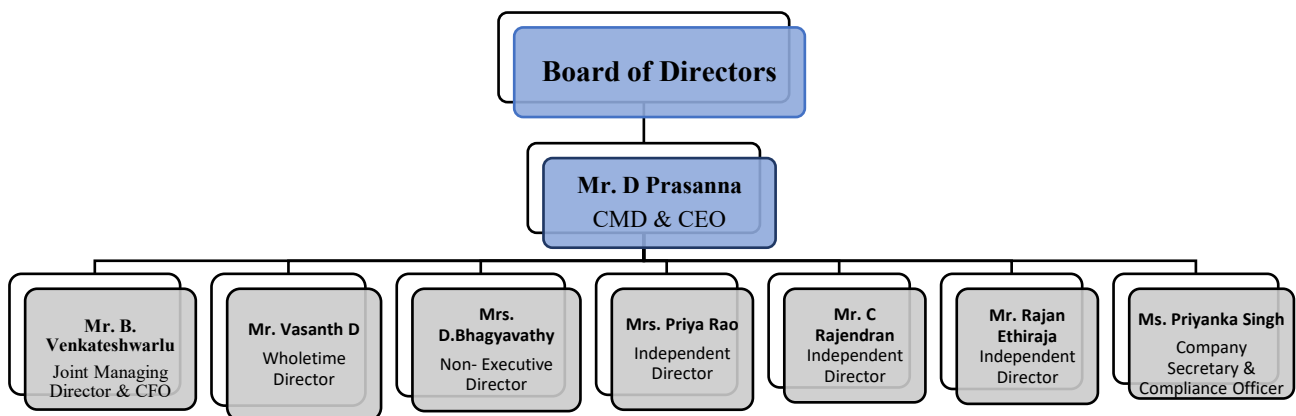
The Company Secretary of the Company shall act as the Secretary of the Committee

Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall also cease to be a member of the Risk Management Committee.

### Compliance with SME Listing Regulations

The provisions of the SEBI (Listing Obligation and Disclosures Regulations), 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE.

## MANAGEMENT ORGANISATION STRUCTURE



## OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel other than executive director of our Company are as follows:

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2022-23 (₹ in Lakhs)
Name	Mr. B Venkateshwarlu	He completed his Bachelor of Engineering in Information Technology in 2002 from Bharathidasan University, Tamil Nadu.	NA	Nil (in the capacity of CFO)
Designation	CFO			
Date of Appointment	October 01, 2023			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2022-23 (₹ in Lakhs)
Overall Experience	He has an experience of over 18 years.			

<b>Name</b>	<b>Ms. Priyanka Singh</b>	She is a Member of the institute of Company Secretaries of India (ICSI) having Membership number-A62187.	NA	Nil
<b>Designation</b>	Company Secretary and Compliance Officer			
<b>Date of Appointment</b>	December 11, 2023*			
<b>Overall Experience</b>	She has 3+ years of post qualification experience in the field of corporate laws.			

\*Her appointment was effective from December 18, 2023

#### Notes:

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts; although they are abide by their terms of appointments.

#### FAMILY RELATIONSHIP BETWEEN KMP

Except the following, none of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

Sl. No.	Name of the Director	Relationship
1.	Mr. D Prasanna and Mr. Vasanth D	Brothers

#### BONUS AND/ OR PROFIT-SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.

#### CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.





## SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except below mentioned Key Managerial Personnel below of the Company none of our Key Managerial Personnel is holding any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Sl. No.	Name of Persons	No. of Shares	% of total shares
1.	Mr. D Prasanna	83,62,493	46.46%
2.	Mr. B Venkateshwarlu	57,00,000	31.67%
3.	Mr. Vasanth D	3,75,000	2.08%

## INTEREST OF KEY MANAGERIAL PERSONNEL

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of equity shares in the company as specified in above table.

## CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS

Following have been the changes in the Key Managerial Personnel during the last three years:

Name of the KMPs	Date of Appointment / Change in designation / Resignation	Reason for Change
Ms. Priyanka Singh	11/12/2023	Appointment as Company Secretary and Compliance Officer
Mr. B Venkateshwarlu	17/11/2023	Appointment as Chief Financial Officer
Mr. Vasanth D	20/10/2023	Appointed as Whole Time Director
Mr. D Prasanna	01/10/2023	Reappointment as Managing Director and Appointment as CEO
Mr. B Venkateshwarlu	01/10/2023	Appointment as Joint Managing Director

*Note: Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.*

## SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

## LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against the key managerial personnel as on the date of this Draft Red Herring Prospectus.



## **PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)**

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “*Financial Statements*” and the chapter titled “*Our Business*” beginning on pages 190 and 114 of this Draft Red Herring Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

## **RETIREMENT BENEFITS**

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.

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## OUR PROMOTERS

The Promoter of our Company is:

Sr. No.	Name	Category	Shareholding
1.	Mr. D Prasanna	Individual Promoter	83,62,493
2.	Mr. B Venkateshwarlu	Individual Promoter	57,00,000

For details of the build-up of our promoters' shareholding in our Company, see section titled "Capital Structure" beginning on page 66 of this Draft Red Herring Prospectus.

Brief profile of our Promoters is as under:

	Mr. D Prasanna	
	Qualification	Bachelor of Engineering in Computer Science and Engineering
	Age	43 years
	Date of Birth	January 10, 1980
	Address	2/632 C, Narmada Street, 4 <sup>th</sup> Main Road, River View Enclave, Manapakkam, Kancheepuram, Tamil Nadu - 600125
	Experience	18 years
	Occupation	Business
	Permanent Account Number	APBPP4269A
	No. of Equity Shares & % of Shareholding (Pre-Offer)	83,62,493 and 46.46%
	Directorship & Other Ventures	AVP SRR Readymix Concretes LLP (Under process of Striking off)
	Mr. B Venkateshwarlu	
	Qualification	Bachelor of Engineering, Information Technology
	Age	42 Years
	Date of Birth	July 17, 1981
	Address	F-408, Purva Amaiti, Tiruchi Road, Behind shanthi Social Service, Singanallur, Coimbatore, Tamil Nadu-641005
	Experience	18 years
	Occupation	Business
	Permanent Account Number	ASKPV7770Q
	No. of Equity Shares & % Of Shareholding (Pre Offer)	57,00,000 and 31.67%

	<b>Directorship &amp; Other Ventures</b>	AVP SRR Readymix Concretes LLP (Under process of Striking off)
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#### **Brief profile of our Individual Promoters is as under:**

**Mr. D Prasanna**, aged 43 years, is the Promoter, Chairman, Managing Director and Chief Executive Officer of our Company. A visionary leader with high goals is the pillar behind the growth of the company in leaps and bounds. He has done Bachelor of Engineering in Computer Science and Engineering in 2001 from Bharathidasan University, Tamil Nadu. With a background in various roles in different companies, his dream was to establish his own organization. Recognizing the need for diversification, he chose the construction industry in 2008. Prasanna's excellent interpersonal skills secured early contracts, and his innovation and hard work expanded the company into State and National highways, government departments, and Ready Mix Concrete units nationwide. As a two-term president of the Lions Club and a member for over two decades, he received an Honorary doctorate for philanthropic efforts from World Tamil University.

**Mr. B Venkateshwarlu**, aged 42 years, is the Promoter and Managing Director of the Company. He completed his Bachelor of Engineering in Information Technology in 2002 from Bharathidasan University, Tamil Nadu. A tech savvy leader has led to the growth of the company by executing each and every project of the company to perfection whilst making profits all along. He always had entrepreneurial goals, he worked for few companies and the cooperative bank in Telangana as a Network engineer and a qualified CCNA professional. Mr. B Venkateshwarlu fondly known as BVK by associates always has an eye for latest technology and is highly efficient in macro management and known for his persistence his never-ending business conversation with his partners are the building blocks of the company. His stubborn nature was the key to the company's execution of every project on time. He was known to the entire vertical of every department he worked with ensuring smooth work progress.

*For details pertaining to other ventures of our Promoters, refer chapter titled "Our Group Entities" beginning on page 183 of this Draft Red Herring Prospectus.*

#### **Relationship of Promoters with our Directors**

Our Promoters are a part of our Board of Directors as Managing Directors and/or Directors. Except as stated below none of our promoters related to our company's directors as per section 2(77) of Companies Act, 2013.

<b>Sr. No.</b>	<b>Name of Promoter</b>	<b>Relationship with our Directors</b>
1.	Mr. D Prasanna and Mrs. D Bhagyavathy	Son – Mother
2.	Mr. D Prasanna and Mr. Vasanth D	Brothers

#### **OTHER UNDERTAKINGS AND CONFIRMATIONS**

- Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhar and Passport Number of the Promoters will be submitted to the Emerge Platform of NSE, where the securities of our Company are proposed to be listed at the time of submission of Draft Red Herring Prospectus.
- Our Promoters have confirmed that they have not been identified as willful defaulters.
- No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons



by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

## **INTEREST OF PROMOTERS**

### ***Interest in promotion of Our Company***

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

### ***Interest in the property of Our Company***

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Draft Red Herring Prospectus.

### ***Interest as member of Our Company***

Our Promoters jointly hold 1,40,62,493 Equity Shares aggregating to 78.12% of pre-issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Mr. D Prasanna and Mr. B Venkateshwarlu given in the chapter titled – *Our Management* beginning on page number 155 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

### ***Interest as Director of our Company***

Except as stated in the “*Related Party Transactions*” beginning on page number 187 of the Draft Red Herring Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

### **Disassociation by the Promoters in the last three years**

Our Promoter have not disassociated themselves from any of the companies/partnership firms during preceding three years.

### **Other Ventures of our Promoters**

Save and except as disclosed in the chapters titled “*Our Group Entities*” beginning on page 183 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

### **Change in the control of Our Company**

There is no change in the control of our Company in the last three years.

### **Litigations involving our Promoters**



For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 281 of this Draft Red Herring Prospectus.

### **Payment of benefits to our Promoters and Promoter Group during the last two years**

Save and except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing as Annexure 34 of Consolidated Financial Statements Restated and Annexure 35 of Standalone Financial Statements Restated on page number 218 and 254 of the section titled “*Financial Statement*” beginning on page number 190 of the Draft Red Herring Prospectus, there has been no payment or benefit to promoters during the 2 years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

### **Other Confirmations**

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 281 of this Draft Red Herring Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulters nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

### **Guarantees**

Except as stated in the section titled “*Financial Statements*” beginning on page 190 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

### **Related Party Transactions**

For details of related party transactions entered into by our Company, please refer to “*Statement of Related Party Transactions*”, as Restated appearing as Annexure 34 of Consolidated Financial Statements Restated and Annexure 35 of Standalone Financial Statements Restated on page number 218 and 254 of the section titled “*Financial Statement*” beginning on page number 190 of the section titled “*Financial Statements*” beginning on page number 190 of the Draft Red Herring Prospectus.

### **Information of our group companies**

For details related to our group companies please refer “*Our Group Entities*” on page no. 183 of this Draft Red Herring Prospectus.



## OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under

### A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI(ICDR) Regulations 2018 form part of our Promoter Group:

Relationship	Name of the Relatives	
	Mr. D Prasanna	Mr. B Venkateshwarlu
Father	Mr. S.Dhandayuthapani	Mr. B. Krishnamurthy
Mother	Mrs. D.Bhagyavathy	Mrs. B. Shobarani
Spouse	Mrs. Gowri Manohari D	Mrs. Chokkarappu Vasumathi
Brother	Mr. Dhandayuthapani Vasanth	N.A.
Sister	Ms. D. Janani	N.A.
Son	Mr. P Raghav Mr. Aadhavv Prasanna	Mr. Bollam Anirudh Krisna
Daughter	NA	Ms. Bollam Hansika
Spouse's Father	Late Mr. Doss	Mr. C.Yadagiri
Spouse's Mother	Mrs. Raji Doss	Mrs. C.Anjamma
Spouse's Brother	Mr. Sivakarhikeyan Doss	Mr. Chokkarappu Nagaraj
Son's Wife	N.A.	N.A.
Daughter's Husband	N.A.	N.A.

### B. Companies, partnership and proprietorship firms forming part of our Promoter Group are as follows:

Nature of Relationship	Name of Entities
Any body corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relatives is a member.	AVP SRR Readymix Concretes LLP* <i>(*under the process of striking off)</i>
Anybody corporate in which a body corporate as mentioned above holds 20% or more of the total share capital.	N.A.
Any HUF or firm in which the aggregate share of the promoters and his relatives is equal to or more than 20% of the total capital.	AVP Associates (Partnership Firm)

### COMMON PURSUITS OF OUR PROMOTERS

Our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.





## OUR GROUP ENTITIES

The definition of “Group Companies” pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board.

Pursuant to a resolution passed by our Board dated December 11, 2023 for the purpose of disclosure in the Offer Documents for the Issue, a company shall be considered material and disclosed as “Group Company/ Group Entities”, if:

The Companies included in the list of related parties of the Company under Accounting Standard 18, shall be considered as Group Companies/ Group Entities of the Company.

Except as stated above, there are no companies falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group companies.

### A. The Group Companies of our Company are as follows:

Nil

### B. Other Group Entities:

1. AVP RMC (*Partnership Firm*)
2. AVP Associates (*Partnership Firm*)
3. AVP SRR Readymix LLP (*under the process of striking off*)

### AVP RMC

<b>Name</b>	AVP RMC
<b>Status</b>	Partnership Firm
<b>PAN</b>	ABKFA0736G
<b>TAN</b>	CHEA2T100D
<b>Firm Registration No.</b>	Registered by Registrar of Firm Tiruchirapali and has been registered in the registrar of firm as No. 523 of 2017.
<b>Date of Establishment</b>	October 27, 2017
<b>Nature of Business</b>	Manufacturing and Supply of Readymix Concrete, other allied Concrete products.
<b>Work Address</b>	Plot No. E-30, IInd Floor, II Avenue, Besant Nagar, Chennai- 600090
<b>Manufacturing Unit</b>	SF No. 234/1 Mangalam Road, 63, Velaruplayam Palladan TK, Tirupur- 641623

### Partners and Profit Sharing Ratio

Profit sharing ratio of AVP RMC as on the date of this Draft Red Herring prospectus are as follows:

Sl. No.	Partner Name	Profit/ Loss Sharing Ratio
1	AVP Infracon Limited	90.00%



2	D. Prasanna	2.50%
3	B. Vekateshwarlu	2.50%
4	D. Vasanth	2.50%
5	K. Jaiganesh	2.50%

### Financial Performance

The details of the Partner's Capital, Total Revenue (Including Other Income) and Net Profit attributable to Partners derived from the audited financial statements of M/s. AVP RMC for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations.

### Key Financials:

(Amount in Rs. Lakhs)

Sl. No.	Particulars	March 31, 2023 (Audited)	March 31, 2022 (Audited)	March 31, 2021 (Audited)
1.	Capital	375.87	136.61	123.10
2.	Total Income	2,133.07	2,256.67	1,606.82
3.	Net Profit/ (Loss)	33.61	44.24	25.46

### AVP Associates

<b>Name</b>	AVP Associates
<b>Status</b>	Partnership Firm
<b>PAN</b>	AAMFA7653D
<b>TAN</b>	CHEA17316F
<b>Firm Registration No.</b>	Registered by Registrar of Firm Tiruchirapali and has been registered in the registrar of firm as No. 368/05.
<b>Date of Establishment</b>	December 01, 2005
<b>Nature of Business</b>	General trading of all goods.
<b>Work Address</b>	No. 10, Sathanur Main Road, Indian Bank Colony, KK Nagar, Trichy- 620021
<b>Manufacturing Unit</b>	No. 640/6, Pudukottai Main Road, Opp to Bharathidasan University, Trichy- 620024

### Partners and Profit Sharing Ratio

Profit sharing ratio of AVP Associates as on the date of this Draft Red Herring prospectus are as follows:

Sl. No.	Partner Name	Profit/ Loss Sharing Ratio
1	D. Prasanna	40.00%
2	J. Arunkumar	40.00%
3	B. Vekateshwarlu	20.00%

### Financial Performance



The details of the Partner's Capital, Total Revenue (Including Other Income) and Net Profit attributable to Partners derived from the audited financial statements of M/s. AVP Associates for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 in terms of the SEBI ICDR Regulations.

**Key Financials:**

(Amount in Rs. Lakhs)

Sl. No.	Particulars	March 31, 2023 (Audited)	March 31, 2022 (Audited)	March 31, 2021 (Audited)
1.	Capital	18.48	19.33	63.72
2.	Total Income	-	-	-
3.	Net Profit/ (Loss)	-	-6.79	-4.04

**DECLARATIONS**

- None of the entities in the Promoter Group Companies is restrained by any SEBI Order or have ever become defunct.
- None of the entities in the Promoter Group Companies is listed at any Stock Exchange nor have such entities made any public issue or right issue in the preceding three years.
- None of the entities in the Promoter Group Companies has become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up or liquidation.

**LITIGATIONS**

For details on litigations and disputes pending against our Promoter Group and Group Companies please refer to the section titled –Outstanding Litigations and Material Developments on page 281 of the Draft Red Herring Prospectus.

**DEFUNCT GROUP COMPANIES**

There is no defunct Group Companies of our Company as on the date of this Draft Red Herring Prospectus.

**UNDERTAKING / CONFIRMATIONS**

Our Promoters and Group Companies confirm that they have not been declared as a willful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group Companies or persons in control of the Promoters has been:

- Prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority; or
  - Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- None of the Promoters is or has ever been a promoter, director or person in control of any other company, which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

**OTHER DETAILS OF GROUP COMPANIES/ENTITIES:**

1. There are no defaults in meeting any statutory/ bank/ institutional dues;



2. No proceedings have been initiated for economic offences against our Group Companies/Entities.

## **NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES**

### **(a) In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled “Financial Statements” and Annexure 35, “Related Party Transaction” on page 190 and 254 of this Draft Red Herring Prospectus.

### **(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus with Stock Exchange**

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Draft Red Herring Prospectus with Stock Exchange.

### **(c) In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Companies is interested in any transactions for the acquisition of land, construction of buildings or supply of machinery.

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## RELATED PARTY TRANSACTION

For details on related party transactions of our Company, please refer to Annexure 34 of Consolidated Financial Statements Restated and Annexure 35 of Standalone Financial Statements Restated on page number 218 and 254 of the section titled “*Financial Statement*” beginning on page number 190 of this Draft Red Herring Prospectus.

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## **DIVIDEND POLICY**

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors, under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our board of directors Company has adopted a dividend distribution policy, which shall act as a guidance to the Board/ Company during recommendation/ declaration of Dividends. The Board of Directors of the Company will consider the following parameters while recommending / declaring Dividend:

### **Financial Parameters / Internal Factors:**

1. Standalone / net operating profit after tax;
2. Operating cash flow of the Company for the year.
3. Liquidity position, aggregate Debt of the Company (both standalone and consolidated), debt service coverage position, etc.
4. Loan repayment and Working capital requirements;
5. Capital expenditure requirements;
6. Resources required for funding acquisitions, mergers and / or new businesses;
7. Cash flow required for meeting tax demands and other contingencies;
8. Regulatory (and growth requirement of) Capital Adequacy;
9. Regulatory (and growth requirement of) Solvency;
10. Trend of dividends paid in the past years;
11. Dividend receipt from subsidiaries;
12. Any windfall, extra-ordinary or abnormal gains made by the Company and
13. Any other factor not explicitly covered above but which is likely to have a significant impact on the Company.

### **External Factors:**

1. Prevailing legal requirements, regulatory restrictions laid down under the applicable laws including tax laws and changes made in accounting standards;
2. Dividend pay-out ratios of companies in the same industry.
3. Any other factor that has a significant influence / impact on the Company's working / financial position of the Company.

The Board of Directors may additionally recommend special dividend in special circumstances.

### **Circumstances under which the shareholders may not expect Dividend**

The shareholders of the Company may not expect Dividend under the following circumstances:

1. In the event of inadequacy of profits or whenever the Company has incurred losses;
2. Significant cash flow requirements towards higher working capital requirements / tax demands / or others, adversely impacting free cash flows;



3. An impending / ongoing Capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;
4. Allocation of cash required for buy-back of securities and
5. Any of the above referred internal or external factors restraining the Company from considering dividend.
6. In any other circumstances where the Board, in its judgment, determines the declaration of dividends to not be in the best interests of the Company and the Shareholders.

#### **Utilization of retained earnings**

The Company may declare Dividend out of the profits of the Company for the year or out of the profits of any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this policy. Profits retained in the business will be invested in the business / operations of the Company and may be used for augmenting working capital, repayment of borrowings, funding capital expenditure / acquisition(s) and for all other corporate purposes.

We have not declared dividend in any Financial Year.

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## SECTION VI- FINANCIAL STATEMENTS

### FINANCIAL STATEMENT AS RESTATED

**Independent Auditor's Examination Report on Restated Consolidated Financial Information of  
AVP Infracon Limited  
(Formerly known as AVP Infracon Private Limited & AVP Constructions Private Limited)**

To,  
The Board of Directors  
**AVP Infracon Limited**  
**(Formerly Known as AVP Infracon Private Limited & AVP Constructions Private Limited)**  
Plot.No.E-30, II ND Floor, II<sup>ND</sup> Avenue Beasant Nagar,  
Chennai, Tamil Nadu-600 090.

Dear Sirs,

We have examined the attached Restated Consolidated Financial Information of **AVP Infracon Limited (Formerly Known as AVP Infracon Private Limited & AVP Constructions Private Limited)** and its invested Partnership Firm namely **AVP RMC** incorporated on 27th October 2017 and (the Company and its invested Partnership firm together referred to as the "**Group**"), comprising the Restated Consolidated Statement of Assets and Liabilities as at October 31 2023, March 31, 2023, the Restated Consolidated Statement of Profit and Loss and the Restated Consolidated Cash Flow Statement for the years ended October 31 2023, March 31, 2023, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred to as, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on 22-12-2023 for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") on *SME Platform of National Stock Exchange of India Limited ("NSE EMERGE")*.

These restated Consolidated Summary Statement have been 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**").
1. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Tamil Nadu and the Stock Exchange in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated



in **Annexure** to the Restated Consolidated Financial Information. The responsibilities of the Board of Directors of the Company include designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

2. We have examined such Restated Consolidated Financial Information taking into consideration:
  - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 2<sup>nd</sup>, 2023 in connection with the proposed IPO of equity shares of **AVP Infracon Limited (Formerly Known as AVP Infracon Private Limited & AVP Constructions Private Limited)** (the “**Issuer Company**”) on SME platform of National Stock Exchange of India Limited (“**NSE EMERGE**”);
  - b. 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 Consolidated Financial Information; 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 IPO.
3. These Restated Consolidated Financial Information have been compiled by the management from:
  - a. Audited Special Purpose Consolidated Financial Statements of the Group for the year ended on March 31, 2023 prepared in accordance with Accounting Standard as prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on 22-12-2023.
  - b. Audited Consolidated Financial Statements of the Group for the year ended on March 31, 2023 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 22-12-2023.
4. We have Audited the Special Purpose Consolidated Financial Statements of the Group for the period ended on October 31, 2023, and Audited the Consolidated financial statements of the Group for the financial year ended March 31, 2023 prepared in accordance with the Indian GAAP for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to the proposed IPO, which have been approved by the Board of Directors. We have issued our report dated 22-12-2023 on this Special Purpose Consolidated Financial Information to the Board of Directors who have approved these in their meeting held on 22-12-2023.



5. For the purpose of our examination, we have relied on:
- Auditor's Report issued by us dated December 22, 2023 and September 01, 2023 on the Financial Statement of the Company for the period from 01/04/2023 to 31/10/2023 and for the year ended March 31, 2023 respectively,
6. There were no qualifications in the Audit Reports issued by us as at and for the years ended on October 31, 2023 and March 31, 2023 which would require adjustments in this Restated Consolidated Financial Information of the Company
7. Based on our examination and according to the information and explanations given to us, we report that:
- The Restated Consolidated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - The Restated Consolidated Summary Statements do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 7 above.
  - The Restated Consolidated Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
  - The Restated Consolidated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments;
  - Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - There was no change in accounting policies, which need to be adjusted in the Restated Consolidated Summary Statement except as mentioned in Other Matter Paragraph of our Auditor's report referred in Paragraph 5 above. The details of Prior period Adjustments are given in Annexure 5 of the Restated Consolidated Financial Statements
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the period ended on October 31, 2023 and March 31, 2023 proposed to be included in the Draft Red Herring Prospectus/Red Herring Prospectus.

<b>Annexure No.</b>	<b>Particulars</b>
1	Consolidated Financial Statement of Assets and Liabilities as Restated
2	Consolidated Financial Statement of Profit and Loss as Restated
3	Consolidated Financial Statement of Cash Flow as Restated
4	Significant Accounting Policy and Notes to the Restated Consolidated Summary Statements
5	Adjustments made in Restated Consolidated Financial Statements/ Regrouping Notes

6	Statement of Share Capital as restated
7	Statement of Reserves and Surplus as restated
8	Statement of Minority Interest as restated
9	Statement of Long-Term Borrowings as restated
10	Statement of Deferred tax liability as restated
11	Statement of Long-Term Provisions as restated
12	Statement of Short-Term Borrowings as restated
13	Statement of Current Maturity of Long-Term Borrowings as restated
14	Statement of Trade Payables as restated
15	Statement of Other Current Liabilities as restated
16	Statement of Short-Term Provisions as restated
17	Statement of Fixed Assets as restated
18	Statement of Non-current Investments as restated
19	Statement of Inventories as restated
20	Statement of Trade Receivables as restated
21	Statement of Cash & Bank Equivalents as restated
22	Statement of Short-Term Loans and Advances as restated
23	Statement of other Current Assets as restated
24	Statement of Revenue from Operation as restated
25	Statement of Revenue from Other Income as restated
26	Statement of Cost of Materials Consumed as restated
27	Statement of Other Direct Expenses as restated
28	Statement of Employee Benefits Expenses as restated
29	Statement of Other Expenses as restated
30	Statement of Depreciation & Amortization Expenses as restated
31	Statement of Financial Charges as restated
32	Statement of Summary of Accounting Ratios as restated
33	Statement of Tax Shelter as restated
34	Statement of Related Parties and Transactions as restated
35	Statement of Provision for Gratuity as restated
36	Statement of Contingent Liability as restated
37	Additional Disclosure with respect to Amendments to Schedule III as restated
38	Statement of Capitalisation as restated

9. We, **P P N and Company**, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the **“Peer Review Board”** of the ICAI.
10. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose financial statements and audited financial statements mentioned in paragraph 4 above.
11. 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.



12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus /Red Herring Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Tamil Nadu 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.

**For P P N And Company,  
Chartered Accountants,  
ICAI Firm Reg. No.: 013623S  
Peer Review Certificate No: 013578**

**R. Rajaram  
Partner  
Membership No: 238452  
UDIN: 23238452BGXEDU7023**

**Place: Chennai  
Date: 22-12-2023**

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## Annexure – I

### STATEMENT OF CONSOLIDATED ASSETS & LIABILITIES, AS RESTATED

Particulars	AnnexureNo.	(Rs. In Lakhs)	
		As at October 31, 2023	As at March 31, 2023
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders Fund</b>			
a) Share capital	6	1,800.00	480.00
b) Reserves and Surplus	7	1,605.31	2,069.66
<b>Total Shareholder's Fund</b>		<b>3,405.31</b>	<b>2,549.66</b>
<b>(2) Minority Interest</b>	8	229.17	346.57
<b>(3) Non-Current Liabilities</b>			
a) Long-Term Borrowings	9	3,135.17	2,882.10
b) Deferred Tax Liability (Net)	10	92.62	64.22
c) Long Term Provisions	11	15.00	12.54
<b>Total Non Current Liabilities</b>		<b>3,242.79</b>	<b>2,958.87</b>
<b>(4) Current Liabilities</b>			
a) Short Term Borrowings	12	3,408.94	2,967.08
b) Current Maturity of Long Term Borrowings	13	1,247.84	880.13
c) Trade Payables	14		
- Total Outstanding Dues of Micro, Small and Medium Enterprises		1,157.12	1,678.23
- Total Outstanding Dues Other than Micro, Small and Medium Enterprises		3,697.44	2,542.85
d) Other Current Liabilities	15	409.86	372.51
e) Short Term Provisions	16	434.41	374.95
<b>Total Current Liabilities</b>		<b>10,355.61</b>	<b>8,815.75</b>
<b>Total Equity &amp; Liability</b>		<b>17,232.87</b>	<b>14,670.84</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>a) Fixed Assets</b>			
(i) Property, Plant and Equipments	17	3,274.19	2,838.71
<b>Total Fixed Assets</b>		<b>3,274.19</b>	<b>2,838.71</b>
<b>b) Non- current Assets</b>			
i) Other Non- current Assets	18	644.95	563.76
<b>Total Non Current Assets</b>		<b>644.95</b>	<b>563.76</b>
<b>(2) Current assets</b>			
a) Inventories	19	8,998.68	7,345.13
b) Trade Receivables	20	2,137.24	1,070.79
c) Cash and Cash Equivalents balances	21	140.62	886.68
d) Short Term Loans and advances	22	1,559.05	1,353.25
e) Other Current Assets	23	478.16	612.51
<b>Total Current Assets</b>		<b>13,313.73</b>	<b>11,268.37</b>
<b>Total Assets</b>		<b>17,232.87</b>	<b>14,670.84</b>
<p>As per our report of even date attached  <b>For P P N AND COMPANY</b>  <b>Chartered Accountants</b>  <b>Firm Reg No: 013623S</b>  <b>Peer Review Certificate No. 013578</b></p> <p><b>R. RAJARAM</b>  <b>Partner</b>  <b>Membership No: 238452</b>  <b>UDIN No: 23238452BGXEDU7023</b></p> <p><b>Place: Chennai</b>  <b>Date: 22-12-2023</b></p>			
<p><b>For and on behalf of the Board of Directors of</b>  <b>AVP INFRACON LIMITED</b>          (formerly known as AVP Infracon Private Limited &amp; AVP Constructions Private Ltd.)</p> <p><b>DHANDAYUTHAPANI PRASANNA</b>  <b>Managing Director</b>  <b>DIN: 02720759</b></p> <p><b>BOLLAM VENKATESHWARALU</b>  <b>Joint Managing Director cum Chief Financial Officer</b>  <b>DIN :02720729</b></p> <p><b>PRIYANKA SINGH</b>  <b>Company Secretary cum Compliance Officer</b>  <b>M. No.62187</b>  <b>Place: Chennai</b>  <b>Date: 22-12-2023</b></p>			

**STATEMENT OF CONSOLIDATED PROFIT & LOSS, AS RESTATED**

Particulars	Annexure No.	(Rs. In lakhs)	
		For the period ended October 31, 2023	For the year ended March 31, 2023
<b>Income</b>			
Revenue from Operations	24	7,405.33	11,498.08
Other Income	25	6.57	52.00
<b>Total Income</b>		<b>7,411.90</b>	<b>11,550.09</b>
<b>Expenditure</b>			
Cost of Material Consumed	26	3,545.82	4,696.28
Other Direct Expense	27	1,626.56	3,775.54
Employee Benefit Expenses	28	346.86	461.15
Other Expenses	29	151.10	278.61
<b>Total Expenses</b>		<b>5,670.35</b>	<b>9,211.58</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>1,741.55</b>	<b>2,338.51</b>
Less: Depreciation & Amortisation Expenses	30	188.90	290.34
<b>Profit Before Interest and Tax</b>		<b>1,552.66</b>	<b>2,048.16</b>
Less: Finance Charges	31	357.17	438.82
<b>Profit before Taxation</b>		<b>1,195.49</b>	<b>1,609.35</b>
Less: Provision for Taxation		299.56	374.95
Less: Provision for Deferred Tax		28.81	19.79
<b>Total</b>		<b>328.37</b>	<b>394.74</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>867.12</b>	<b>1,214.61</b>
<b>Less: Share of Minority Interest</b>		<b>(11.34)</b>	<b>(9.31)</b>
<b>Net Profit Transferred to Reserves &amp; Surplus</b>		<b>855.78</b>	<b>1,205.31</b>
<b>Earnings per Equity Share of Rs.10/- each</b>			
-Basic		<b>4.75</b>	<b>6.70</b>
-Diluted		<b>4.75</b>	<b>6.70</b>
<div> <div> As per our report of even date attached  For P P N AND COMPANY  Chartered Accountants  Firm Reg No: 013623S    Peer Review Certificate No. 013578    R. RAJARAM  Partner    Membership No: 238452  UDIN No: 23238452BGXEDU7023    Place: Chennai  Date: 22-12-2023 </div> <div> For and on behalf of the Board of Directors of  <b>AVP INFRACON LIMITED</b>  (formerly known as AVP Infracon Private Limited &amp; AVP  Constructions Private Ltd.)    DHANDAYUTHAPANI PRASANNA  Managing Director  DIN: 02720759    BOLLAM VENKATESHWARALU  Joint Managing Director cum Chief  Financial Officer  DIN :02720729    PRIYANKA SINGH  Company Secretary cum Compliance Officer  M. No.62187    Place: Chennai  Date: 22-12-2023 </div> </div>			





# Annexure – III

## STATEMENT OF CONSOLIDATED CASH FLOW, AS RESTATED

PARTICULARS	(Rs. In lakhs)	
	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax as per Profit & Loss A/c	1,195.49	1,609.35
Adjusted for :		
a. Depreciation	188.90	290.34
b. Interest Expenses & Finance Cost	357.17	438.82
c. Gratuity Expense	2.46	7.32
d. Other Adjustments	(0.13)	-
e. Interest & Other Income	(0.89)	(21.89)
<b>Operating profit before working capital changes</b>	<b>1,742.99</b>	<b>2,323.94</b>
Adjusted for :		
a. Decrease /(Increase) in Inventories	(1,653.54)	(3,884.99)
b. Decrease / ( Increase ) in trade receivable	(1,066.45)	359.77
c. ( Increase ) / Decrease in Short term loans and advances	(205.80)	(1,343.29)
d. Increase / ( Decrease ) in Trade Payables	633.48	1,774.75
e. Increase / ( Decrease ) in Other current liabilities	37.35	277.55
f. ( Increase ) / Decrease in Other Current Assets	134.36	(471.09)
<b>Cash generated from operations</b>	<b>(377.61)</b>	<b>(963.37)</b>
Net Income Tax (Paid)/Refund	(240.50)	-
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>(618.12)</b>	<b>(963.37)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
a. (Purchase) Sale of Fixed Assets	(624.37)	(897.08)
b. ( Purchase ) / Sale of non-current investment	-	(5.00)
c. ( Increase ) / Decrease in Other Non Current Assets	(81.18)	(62.37)
d. Interest & Other Income	0.89	21.89
<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(704.66)</b>	<b>(942.57)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
a. Interest & Finance Cost	(357.17)	(438.82)
b. ( Repayments ) / proceeds of long term borrowings	253.07	504.22
c. ( Repayments ) / proceeds of short term borrowings	809.56	2,140.50
d. Increase/ (Decrease) in Equity share capital/ Partner's capital	(128.75)	206.68
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>576.71</b>	<b>2,412.58</b>
<b>Net Increase / ( Decrease ) in cash and cash equivalents</b>	<b>(746.06)</b>	<b>506.65</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>886.68</b>	<b>380.02</b>
<b>Cash and cash equivalents at the end of the period / year</b>	<b>140.62</b>	<b>886.67</b>
<p>As per our report of even date attached For P P N AND COMPANY Chartered Accountants Firm Reg No: 013623S Peer Review Certificate No. 013578</p> <p style="text-align: right;">For and on behalf of the Board of Directors of <b>AVP INFRACON LIMITED</b> (formerly known as AVP Infracon Private Limited &amp; AVP Constructions Private Ltd.)</p> <div style="display: flex; justify-content: space-between;"> <div> <p><b>R. RAJARAM</b> Partner Membership No: 238452 UDIN No: 23238452BGXEDU7023</p> </div> <div> <p><b>DHANDAYUTHAPANI PRASANNA</b> Managing Director DIN: 02720759</p> </div> <div> <p><b>BOLLAM VENKATESHWARALU</b> Joint Managing Director cum Chief Financial Officer DIN :02720729</p> </div> </div> <p style="text-align: right;"><b>PRIYANKA SINGH</b> Company Secretary cum Compliance Officer M. No.62187</p> <div style="display: flex; justify-content: space-between;"> <p>Place: Chennai Date: 22-12-2023</p> <p>Place: Chennai Date: 22-12-2023</p> </div>		



## **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

### **ANNEXURE-4**

#### **A. BACKGROUND**

AVP Constructions Private Limited (the Holding Company ) having CIN:U45400TN2009PTC072861 incorporated on 09th September 2009 under the provisions of the Companies Act, 1956, and having its registered office at Plot No.E-30, Second Floor, Second Avenue Besant Nagar, Chennai - 600090 and the company name changed from AVP Constructions Private Limited to AVP Infracon Private Limited vide special resolution passed by our shareholders at the Extra Ordinary General Meeting held on 11.09.2023. Subsequently, Company was converted into Public Limited Company vide special resolution passed by our shareholders at the Extra Ordinary General Meeting held on 20.10.2023 and the name of the Company was changed to AVP Infracon Limited ("the Company " or the "Issuer") pursuant to issuance of Fresh Certificate of Incorporation dated 16.11.2023 Registrar of Companies, Chennai with Corporate Identification Number U45400TN2009PLC072861.

The Company is engaged in the business of construction and transacts the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, level, decorate, fabricate, reconstruct, renovate, remodel, rebuild all types of infrastructure developmental works, constructions works such as technically complex and high value projects like Express ways, National Highways, Flyovers, Bridges and Viaducts, Irrigation Projects, Urban Development - Civic amenities, Hospitals, warehouses, hotels and other Commercial and Residential Projects

#### **B. SIGNIFICANT ACCOUNTING POLICIES**

##### **1 Basis of Preparation:**

The summary statement of restated consolidated assets and liabilities of the Company as at 31st October 2023 and 31st March, 2023 and the related summary statement of restated consolidated profit and loss and cash flows for the period ended 31st October 2023, 31st March 2023, (collectively referred to as the "Restated summary of consolidated financial information") have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The restated summary of consolidated financial information has been prepared by applying necessary adjustments to the consolidated financial statements ('consolidated financial statements') of the Company . The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards specified under section 133 of the Companies Act, 2013, of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations 2018, as amended (the "Regulations"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year of the holding Company .

##### **2 Basis of Consolidation - Investment in Subsidiary:**

The basis of consolidation is in nature of investment in subsidiary. As per the provisions of Accounting Standard AS-21 Consolidation of financial statements, a subsidiary is an entity over which the company has



directly or indirectly control of more than one-half of the voting rights. The company has more than one-half of control over the firm AVP RMC, and hence AVP RMC is a subsidiary and the financial statements of the group are consolidated on a line-by-line basis and intra-group balances and transactions, including unrealized gain / loss from such transactions, are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Minority interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are disclosed separately.

### **3 Use of Estimates:**

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, income taxes, post – sales customer support and the useful lives of Property Plant and Equipments and intangible assets.

### **4 Revenue Recognition:**

The company derives its revenues primarily from construction activities including infrastructure developmental works, constructions works such as technically complex and high value projects like Express ways, National Highways, Flyovers, Bridges and Viaducts, Irrigation Projects, Urban Development - Civic amenities and other projects etc.

Construction contract receipts have been recognised as per AS-7. Revenue from construction services, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognized. When it is probable that the total contract cost will exceed the total contract revenue, the company recognises the estimated loss.

The following other revenues are recognized and accounted on their accrual with necessary provisions for all known liabilities and losses as per AS 9.

Interest Income: Revenue is recognized on the time proportion basis after taking into account the amount outstanding and the rate applicable.

Dividend Income : Dividend Income is recognised when the owners right to receive payment is established.

Other Income : Other items of income and expenditure are recognized on accrual basis and as a going concern basis, and the accounting policies are consistent with the generally accepted accounting policies.

### **4 Property Plant and Equipment including Intangible Assets:**

Property Plant and Equipments are stated at cost, less accumulated depreciation. Cost includes cost of acquisition including material cost, freight, installation cost, duties and taxes, and other incidental expenses, incurred up to the installation stage, related to such acquisition. Property Plant and Equipments purchased in India in foreign currency are recorded in Rupees, converted at the exchange rate prevailed on the date of purchase. Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

### **5 Depreciation & Amortisation:**

Depreciation has been provided as per the rates and manner as specified in Schedule II of the Companies Act 2013 for the year/period ending on 31st October 2023 & 31st March 2023 as per the useful life prescribed on single shift till the residual value of the asset is reduced equal to 5% of the original cost. Pro Rata Basis to result in a more appropriate preparation or presentation of the financial statements. In respect of assets added/sold during the period/year, pro-rata depreciation has been provided at the rates prescribed under Schedule II.

Intangible assets are amortised on a straight-line basis over the estimated useful life as specified in Schedule II of the Companies Act 2013. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. In respect of the assets sold during the year, amortisation is provided from the beginning of the year till the date of its disposal.

### **The estimated useful lives of assets are as follows:**

#### **Useful life of Property, Plant and Equipments**

<b>Category</b>	<b>Schedule - II Part 'C '</b>	<b>Useful life</b>
Computer & Accessories	XII (ii)	3 years
Furniture & Fittings	V (i)	10 years
Office Equipments	XI	5 years
Plant & Machinery - Construction	IV (ii) (k) (1)	12 years
Plant & Machinery - General	IV (i) (a)	15 Years
Plant & Machinery - Earth Movers	IV (ii) (k) (4)	9 years
Vehicles - General	VI (3)	8 years

### **6 Impairment of Assets:**

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognised wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. Reversal of impairment loss is recognised immediately as income in the profit and loss account.

### **7 Foreign Currency Transactions:**

Domestic Operation:

#### **I . Initial Recognition :**

A foreign currency transactions are recorded, on initial recognition 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 . Measurement :**

Foreign currency monetary items are reported 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 date of the transaction

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 . Treatment of Foreign Exchange :**



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

## **8 Employee Benefits:**

### **Post-Employment Benefits:**

#### **Defined Benefit Plan:**

Gratuity liability is a defined benefit obligation and is unfunded. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year.

## **9 Taxes on Income:**

Income Tax expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax stated below:

### **A. Current Tax:**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

### **B. Deferred Tax:**

Deferred tax is recognised, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carried forward losses, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## **10 Provisions and Contingent Liabilities:**

A provision is recognised if, as a result of past event, the Company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by the best estimate of outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **11 Earnings Per Share:**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## **12 Cash and Cash Equivalents:**



Cash and cash equivalents comprise cash and cash deposits with banks. The Company considers all highly liquid investments with a original maturity at a date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### 13 Cash Flow Statement:

Cash flows are reported using indirect method, whereby net profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 14 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

## ADJUSTMENTS MADE IN RESTATED CONSOLIDATED FINANCIAL STATEMENTS / REGROUPING NOTES ANNEXURE-5

**Adjustments having no impact on Profit Material Regrouping.**

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

### Reconciliation of Profit:

(Amount in ₹ Lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b><u>Net profit After Tax as per Audited Accounts But Before Adjustments for Restated Accounts :</u></b>	<b>843.23</b>	<b>1,155.15</b>
Difference in Amount of Depreciation	38.31	89.82
Provision for Deferred Tax	(16.75)	(28.02)
Provision for Gratuity	2.33	(2.33)
<b>Net adjustment in Profit and loss Account</b>	<b>23.89</b>	<b>59.46</b>
Adjusted Profit after Tax	867.12	1,214.61
<b>Net Profit after Tax as per Restated Accounts</b>	<b>867.12</b>	<b>1,214.61</b>

### Reconciliation of Equity:

(Amount in ₹ Lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b><u>Equity as per Audited Financial Statements</u></b>	<b>3,361.00</b>	<b>2,496.14</b>

Difference in Amount of Depreciation	128.12	89.82
Provision for Deferred Tax	(81.42)	(28.02)
Transfer to Minority Interest	(2.39)	(6.18)
<b>Net Adjustment in Equity</b>	<b>44.31</b>	<b>55.61</b>
Adjusted Equity	3,405.31	2,551.76
<b>Equity as Restated</b>	<b>3,405.31</b>	<b>2,549.66</b>

## STATEMENT OF SHARE CAPITAL AS RESTATED

## ANNEXURE – 6

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>Authorised Capital #</b>		
2,50,00,000 Equity shares of ₹10/- each	2,500.00	500.00
<b>Issued, Subscribed &amp; Fully Paid-up</b>		
1,80,00,000 Equity shares of ₹10/- each	1,800.00	480.00
<b>Total</b>	<b>1,800.00</b>	<b>480.00</b>

### # Note

Authorised capital was increased from 50,00,000 equity shares to 2,50,00,000 equity shares vide members resolution and approval on 30-09-2023.

### Reconciliation of No. of Shares Outstanding at the end of the year

(No. of Equity Shares)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Shares outstanding at the beginning of the year	48,00,000	48,00,000
Bonus Shares Issued during the year *	1,32,00,000	-
<b>Share outstanding at the end of the year</b>	<b>1,80,00,000</b>	<b>48,00,000</b>

### \* Note

The Company issued the Bonus shares for the existing shareholders in the ratio of 11 shares for every 4 shares held vide special resolution passed at EGM dated 20th October 2023.

### Details of Shareholding more than 5% of the aggregate shares in the company

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b><i>Dhandayuthapani Prasanna</i></b>		
No. of Shares	83,62,493	22,29,998
% Holding	46.46%	46.46%
<b><i>Bollam Venkateshwarlu</i></b>		
No. of Shares	57,00,000	15,20,000





% Holding	31.67%	31.67%
<b>Aparna Samir Thakker</b>		
No. of Shares	11,97,000	-
% Holding	6.65%	0.00%
<b>Mukesh Purushottam Chamedia</b>		
No. of Shares	11,97,000	-
% Holding	6.65%	0.00%

#### Details of Shareholding of Promoters

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>Dhandayuthapani Prasanna</b>		
No. of Shares	83,62,493	22,29,998
% Holding	46.46%	46.46%
% change during the year	0.00%	(22.57%)
<b>Bollam Venkateshwarlu</b>		
No. of Shares	57,00,000	15,20,000
% Holding	31.67%	31.67%
% change during the year	0.00%	(20.83%)

#### STATEMENT OF RESERVE & SURPLUS AS RESTATED

#### ANNEXURE – 7

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>(a) General/ Free Reserves</b>		
Opening Balance	1,400.00	-
Add: Additions during year	-	1,400.00
Less: Bonus Shares issued	1,320.00	-
<b>Closing Balance (A)</b>	<b>80.00</b>	<b>1,400.00</b>
<b>Statement of Profit &amp; Loss</b>		
Opening balance	669.66	864.35
Add: Profit for the year	855.78	1,205.31
<b>Total</b>	<b>1,525.44</b>	<b>2,069.66</b>
Add : Prior Period Adjustments *	(0.13)	-
Less : Transferred to General Reserves	-	1,400.00
<b>Balance as at the end of the year for Profit &amp; Loss (B)</b>	<b>1,525.31</b>	<b>669.66</b>
<b>Total Reserve &amp; Surplus (A) + (B)</b>	<b>1,605.31</b>	<b>2,069.66</b>

\*Note : Adjustments in Reserves due to Tax provision

#### STATEMENT OF MINORITY INTEREST AS RESTATED

#### ANNEXURE – 8

(Rs. In lakhs)

Particulars	For the period ended October 31,	For the year ended March
-------------	-------------------------------------	-----------------------------

	2023	31, 2023
Other Partner's Share Capital in Firm	218.06	337.26
Add: Share of Profit attributable to Other Partners	11.11	9.31
<b>Total of Secured Loans from Bank/Fis</b>	<b>229.17</b>	<b>346.57</b>

**STATEMENT OF LONG TERM BORROWINGS AS RESTATED**
**ANNEXURE – 9**
*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>Secured Loans from Banks/ Financial Institutions*</b>		
i. From banks	1,416.40	1,208.33
ii. From other Financial Institutions	13.85	148.56
<b>Total of Secured Loans from Bank/Fis</b>	<b>1,430.24</b>	<b>1,356.89</b>
<b>Unsecured Loans from Related Parties</b>		
Loans From Directors	1,704.92	1,525.21
<b>Total of Unsecured Loans from Related Parties</b>	<b>1,704.92</b>	<b>1,525.21</b>
<b>Total Long Term Borrowings</b>	<b>3,135.17</b>	<b>2,882.10</b>

\* Note : The Details of Loans are attached separately

**Details forming part of notes to Balance Sheet for Annexure No.9**
*(All Amounts are in Lakhs)*

AVP INFRACON LIMITED						
S. No	Particulars	Terms of Repayment(in months)	Rate of Interest (p.a)	No. of Instalments Outstanding as on 31.10.2023(in months)	Earnest Monthly Instalment(EMI)/ Principal Amount	Closing Balance as at 31.10.23
1	Axis Bank Limited	48	8.75%	10	0.63	6.07
2	Axis Bank Limited	48	8.75%	10	0.62	6.00
3	Axis Bank Limited	48	8.75%	10	0.62	6.00
4	Axis Bank Limited	48	8.50%	10	1.89	25.05
5	Axis Bank Limited	48	8.50%	14	0.81	10.79
6	Axis Bank Limited	48	8.50%	14	0.81	10.79
7	Axis Bank Limited	48	8.50%	14	0.81	10.79
8	Axis Bank Limited	48	8.50%	14	0.81	10.79
9	Axis Bank Limited	48	8.50%	14	0.81	10.79
10	Axis Bank Limited	48	8.50%	14	0.81	10.79
11	Axis Bank Limited	36	8.50%	5	0.80	3.90
12	Axis Bank Limited	48	8.50%	14	0.49	6.45
13	Axis Bank Limited	48	8.50%	13	0.24	3.03
14	Axis Bank Limited	48	8.50%	14	0.24	3.04
15	Axis Bank Limited	48	8.50%	14	0.24	3.25
16	Axis Bank Limited	48	8.50%	14	0.24	3.25
17	Axis Bank Limited	48	8.50%	14	0.24	3.25
18	Axis Bank Limited	48	8.50%	14	0.24	3.25

19	CNH Industrial Capital(India) Private Limited	47	8.14%	18	0.59	9.98
20	CNH Industrial Capital(India) Private Limited	47	8.14%	18	0.59	9.98
21	CNH Industrial Capital(India) Private Limited	47	8.14%	18	0.59	9.98
22	CNH Industrial Capital(India) Private Limited	47	8.14%	18	0.59	9.98
23	Daimler Financial Services India Private Limited	47	8.75%	12	1.01	11.55
24	Daimler Financial Services India Private Limited	47	8.75%	12	1.01	11.55
25	Daimler Financial Services India Private Limited	47	8.75%	12	1.01	11.55
26	Daimler Financial Services India Private Limited	47	8.75%	12	1.01	11.55
27	Equitas Finance Limited	36	19.02%	5	0.21	0.99
28	Equitas Finance Limited	36	19.02%	5	0.21	0.99
29	Federal Bank Limited	36	9.25%	10	4.72	41.33
30	Federal Bank Limited	36	9.25%	36	4.18	131.00
31	HDFC Bank Limited	47	9.76%	14	0.21	2.79
32	HDFC Bank Limited	47	8.19%	36	1.27	40.26
33	HDFC Bank Limited	47	8.19%	36	1.27	40.26
34	HDFC Bank Limited	47	8.19%	36	1.27	40.26
35	HDFC Bank Limited	47	8.19%	36	1.27	40.26
36	HDFC Bank Limited	47	8.19%	36	1.27	40.26
37	HDFC Bank Limited	47	8.19%	36	1.27	40.26
38	HDFC Bank Limited	60	7.35%	44	0.45	17.30
39	HDFC Bank Limited	48	9.00%	16	1.06	15.91
40	ICICI Bank Limited	47	8.01%	33	0.73	21.57
41	ICICI Bank Limited	47	8.01%	33	0.73	21.57
42	ICICI Bank Limited	47	8.01%	34	1.29	39.08
43	ICICI Bank Limited	47	8.01%	35	1.29	40.11
44	ICICI Bank Limited	47	8.01%	35	1.29	40.10
45	ICICI Bank Limited	47	8.01%	35	1.29	40.10
46	IDFC First Bank Limited	60	10.50%	53	1.18	49.96
47	Kotak Mahindra	23	10.05%	7	1.08	7.34

	Bank Limited					
48	Kotak Mahindra Bank Limited	36	9.20%	10	0.89	7.72
49	Kotak Mahindra Bank Limited	46	8.50%	12	0.92	10.53
50	Kotak Mahindra Bank Limited	36	9.25%	10	0.75	7.16
51	Kotak Mahindra Bank Limited	47	7.53%	29	1.22	32.26
52	Kotak Mahindra Bank Limited	47	7.53%	29	1.22	32.26
53	Kotak Mahindra Bank Limited	47	7.54%	29	1.25	33.12
54	Kotak Mahindra Bank Limited	36	13.03%	20	3.39	60.67
55	Kotak Mahindra Bank Limited	23	10.09%	7	0.30	2.06
56	Kotak Mahindra Bank Limited	46	7.70%	30	3.13	87.80
57	Karur Vysya Bank	84	9.20%	20	0.22	4.03
58	Tata Motors Finance Limited	47	9.38%	13	0.98	12.09
59	Tata Motors Finance Limited	47	9.42%	13	0.98	12.09
60	Tata Motors Finance Limited	47	9.38%	13	0.98	12.09
61	Tata Motors Finance Limited	47	9.38%	13	0.98	12.09
62	Tata Motors Finance Limited	47	9.38%	13	0.98	12.09
63	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
64	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
65	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
66	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
67	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
68	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
69	Youth Enterprise Scheme Bank	25	12.97%	13	0.38	4.23
70	HDFC Bank Limited	48	9.26%	41	0.33	11.62
71	Kotak Mahindra Bank Limited	36	13.11%	29	0.49	13.20
72	Kotak Mahindra Bank Limited	36	13.17%	29	0.26	6.86

73	Kotak Mahindra Bank Limited	36	13.08%	29	0.41	11.00
74	Kotak Mahindra Bank Limited	36	13.15%	29	0.57	15.34
75	Kotak Mahindra Bank Limited	36	13.11%	29	0.49	13.20
76	Kotak Mahindra Bank Limited	36	9.52%	29	1.04	30.06
77	Federal Bank Limited	47	8.80%	47	1.40	55.40
78	Federal Bank Limited	47	8.80%	47	1.40	55.40
79	Federal Bank Limited	47	8.80%	47	1.40	55.40
80	Federal Bank Limited	47	8.80%	47	1.40	55.40
81	Federal Bank Limited	47	8.80%	47	1.40	55.40
82	Federal Bank Limited	47	8.80%	47	1.40	55.40
83	Federal Bank Limited	47	8.80%	47	1.40	55.40
84	Federal Bank Limited	47	8.80%	47	1.40	55.40
85	Federal Bank Limited	47	9.00%	43	1.97	73.51
86	Federal Bank Limited	47	9.00%	43	1.97	73.51
87	Federal Bank Limited	47	9.01%	43	0.75	28.04
88	Federal Bank Limited	47	9.01%	43	0.75	28.04
89	Kotak Mahindra Bank Limited	35	9.50%	35	1.13	39.48
90	Kotak Mahindra Bank Limited	35	9.50%	35	1.13	39.48
91	Kotak Mahindra Bank Limited	35	9.52%	28	1.04	30.06
<b>Total</b>						<b>2,135.59</b>

AVP RMC						
Sr. No	Particulars	Terms of Repayment (in months)	Rate of Interest (p.a.)	Number of Instalments Outstanding as on 31-10-2023 (in months)	Earnest Monthly Instalment (EMI) / Principal Amount	Closing Balance as at 31-10-23
1	Axis Bank Limited	48	8.75%	10	0.79	7.55
2	Axis Bank Limited	48	8.75%	11	0.79	8.27
3	Axis Bank Limited	48	8.75%	11	0.79	8.27
4	Axis Bank Limited	48	8.75%	10	0.23	2.23
5	Axis Bank Limited	48	8.75%	10	0.23	2.23
6	Axis Bank Limited	48	8.75%	10	0.23	2.23
7	Daimler Financial services India Private Limited	47	9.00%	13	1.04	12.83
8	Daimler Financial services India Private Limited	47	9.00%	13	1.04	12.83
9	Daimler Financial services India Private Limited	47	9.00%	13	1.04	12.83
10	Daimler Financial services India Private Limited	47	9.00%	13	1.04	12.83

11	Daimler Financial services India Private Limited	47	9.00%	13	1.04	12.83
12	Daimler Financial services India Private Limited	47	9.00%	13	1.04	12.83
13	HDFC Bank Limited	47	9.76%	13	0.23	2.80
14	HDFC Bank Limited	47	9.76%	13	0.23	2.80
15	HDFC Bank Limited	48	8.11%	17	0.64	10.24
16	HDFC Bank Limited	40	8.09%	25	0.63	14.44
17	HDFC Bank Limited	47	7.87%	36	1.13	35.95
18	HDFC Bank Limited	47	7.87%	35	1.13	35.09
19	HDFC Bank Limited	47	7.87%	34	1.13	34.20
20	HDFC Bank Limited	47	7.87%	35	1.13	35.09
21	HDFC Bank Limited	47	7.87%	35	1.13	35.09
22	HDFC Bank Limited	60	7.26%	42	0.86	31.91
23	Kotak Mahindra Bank Limited	46	5.63%	7	2.11	10.48
24	Kotak Mahindra Bank Limited	47	7.23%	12	2.52	28.92
25	Kotak Mahindra Bank Limited	47	7.23%	15	0.74	10.55
26	Kotak Mahindra Bank Limited	47	7.23%	15	0.74	10.55
27	Kotak Mahindra Bank Limited	47	7.42%	15	2.36	33.36
28	Kotak Mahindra Bank Limited	36	7.11%	10	0.67	6.50
29	Kotak Mahindra Bank Limited	35	7.23%	9	0.73	6.41
30	Kotak Mahindra Bank Limited	47	7.26%	11	0.85	8.93
31	IndusInd Bank Limited	11	23.25%	9	0.13	1.05
32	IndusInd Bank Limited	36	11.82%	32	0.54	14.38
33	IndusInd Bank Limited	36	11.88%	32	0.75	19.80
34	Kotak Mahindra Bank Limited	36	13.09%	32	0.55	15.15
35	Kotak Mahindra Bank Limited	36	12.86%	33	0.55	15.19
36	Kotak Mahindra Bank Limited	36	13.09%	32	0.30	8.32
37	Kotak Mahindra Bank Limited	36	13.16%	32	0.27	7.57
<b>Total</b>						<b>542.49</b>

**STATEMENT OF DEFERRED TAX LIABILITIES AS RESTATED**
**ANNEXURE – 10**
*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>Deferred Tax Assets/Liabilities Provision</b>		
On Account of Depreciation	96.77	67.58
<b>(DTA)/DTL</b>	<b>96.77</b>	<b>67.58</b>

<b>Deferred Tax Assets Provision</b>		
On Account of Provision for Gratuity	(4.15)	(3.36)
<b>Closing Balance of (DTA)/DTL</b>	<b>92.62</b>	<b>64.22</b>

**STATEMENT OF LONG TERM PROVISIONS AS RESTATED**
**ANNEXURE – 11**
*(Rs. In lakhs)*

<b>Particulars</b>	<b>For the period ended October 31, 2023</b>	<b>For the year ended March 31, 2023</b>
Provision for Gratuity	15.00	12.54
<b>Total</b>	<b>15.00</b>	<b>12.54</b>

**STATEMENT OF SHORT TERM BORROWINGS AS RESTATED**
**ANNEXURE – 12**
*(Rs. In lakhs)*

<b>Particulars</b>	<b>For the period ended October 31, 2023</b>	<b>For the year ended March 31, 2023</b>
<b>Secured Loans from Bank/FIs</b>		
From Banks	2,674.29	2,271.29
Other Financial Institutions		16.19
<b>Total of Secured Loans from Bank/Fis</b>	<b>2,674.29</b>	<b>2,287.49</b>
<b>Unsecured Loans</b>		
From other Body Corporates	734.65	679.59
<b>Total of Unsecured Loans</b>	<b>734.65</b>	<b>679.59</b>
<b>Total Short Term Borrowings</b>	<b>3,408.94</b>	<b>2,967.08</b>

**STATEMENT OF CURRENT MATURITY OF LONG TERM BORROWING AS RESTATED**
**ANNEXURE – 13**
*(Rs. In lakhs)*

<b>Particulars</b>	<b>For the period ended October 31, 2023</b>	<b>For the year ended March 31, 2023</b>
Current Maturities of Long-term borrowings - From Banks	1,036.58	658.42
Current Maturities of Long-term borrowings - Other Financial Institution	211.26	221.72
<b>Total of Current Maturity of Long Term Borrowing</b>	<b>1,247.84</b>	<b>880.13</b>

**STATEMENT OF TRADE PAYABLES AS RESTATED**
**ANNEXURE – 14**
*(Rs. In lakhs)*

<b>Particulars</b>	<b>For the period ended October</b>	<b>For the year ended March 31,</b>
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	31, 2023	2023
Total Outstanding Dues of Micro, Small and Medium Enterprises	1,157.12	1,678.23
Total Outstanding Dues Other than Micro, Small and Medium Enterprises	3,697.44	2,542.85
<b>Total</b>	<b>4,854.56</b>	<b>4,221.08</b>

*Note: Trade Payable Ageing schedule*

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>For MSME Creditors</b>		
Less Than 1 Years	1,157.12	1,623.61
1 - 2 Years	-	0.13
2 - 3 Years	-	54.50
More Than 3 Years	-	-
<b>Total</b>	<b>1,157.12</b>	<b>1,678.23</b>
<b>For Other than MSME Creditors</b>		
Less Than 1 Years	1,877.04	2,477.01
1 - 2 Years	1,820.40	49.27
2 - 3 Years	-	16.57
More Than 3 Years	-	-
<b>Total</b>	<b>3,697.44</b>	<b>2,542.85</b>

#### STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED

#### ANNEXURE – 15

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
TDS & TCS Payable	41.29	49.37
EPF & ESI Payable	0.52	0.21
GST Payable	9.54	12.19
Salary Payable	91.88	45.85
Audit Fees Payable	2.95	7.65
Advance from Customers	238.40	255.08
Other Payable	25.28	2.16
<b>Total</b>	<b>409.86</b>	<b>372.51</b>

#### STATEMENT OF SHORT TERM PROVISION AS RESTATED

#### ANNEXURE – 16

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
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Provision for Taxation	434.41	374.95
<b>Total</b>	<b>434.41</b>	<b>374.95</b>

**STATEMENT OF FIXED ASSETS AS RESTATED**
**ANNEXURE – 17**
*(Rs. In lakhs)*

<b>Particulars</b>	<b>For the period ended October 31, 2023</b>	<b>For the year ended March 31, 2023</b>
<b>Tangible Assets</b>		
<b><i>I. Plant &amp; Machinery</i></b>		
Gross Block - Opening Balance	1,730.48	1,235.32
Add: Addition/Sale during the year	11.10	495.16
Less: Deletion/ Sale during the year	(53.25)	-
<b>Gross Block - Closing Balance</b>	<b>1,688.33</b>	<b>1,730.48</b>
Accumulated Depreciation - Opening Balance	311.25	185.12
Add: Depreciation during the year	76.51	126.13
Less: Accumulated Depreciation on Deletion	(48.07)	-
<b>Accumulated Depreciation - Closing Balance</b>	<b>339.69</b>	<b>311.25</b>
<b>Net Block of Plant &amp; Machinery</b>	<b>1,348.63</b>	<b>1,419.23</b>
<b><i>II. Furniture &amp; Fittings</i></b>		
Gross Block - Opening Balance	5.15	4.39
Add: Addition/Sale during the year	-	0.76
Less: Deletion/ Sale during the year	(0.18)	-
<b>Gross Block - Closing Balance</b>	<b>4.98</b>	<b>5.15</b>
Accumulated Depreciation - Opening Balance	1.55	0.93
Add: Depreciation during the year	0.36	0.63
Less: Accumulated Depreciation on Deletion	(0.09)	-
<b>Accumulated Depreciation - Closing Balance</b>	<b>1.82</b>	<b>1.55</b>
<b>Net Block of Furniture &amp; Fittings</b>	<b>3.15</b>	<b>3.60</b>
<b><i>III. Vehicles</i></b>		
Gross Block - Opening Balance	1,716.30	1,394.34
Add: Addition/Sale during the year	616.13	557.37
Less: Deletion/ Sale during the year	-	(235.42)
<b>Gross Block - Closing Balance</b>	<b>2,332.43</b>	<b>1,716.30</b>
Accumulated Depreciation - Opening Balance	326.22	248.32
Add: Depreciation during the year	106.89	155.75
Less: Accumulated Depreciation on Deletion	-	(77.84)
<b>Accumulated Depreciation - Closing Balance</b>	<b>433.11</b>	<b>326.22</b>
<b>Net Block of Vehicles</b>	<b>1,899.32</b>	<b>1,390.08</b>
<b><i>IV. Land</i></b>		
Gross Block - Opening Balance	1.57	1.57
Add: Addition/Sale during the year	-	-
Less: Deletion/ Sale during the year	-	-

<b>Gross Block - Closing Balance</b>	<b>1.57</b>	<b>1.57</b>
Accumulated Depreciation - Opening Balance	-	-
Add: Depreciation during the year	-	-
Less: Accumulated Depreciation on Deletion		
<b>Accumulated Depreciation - Closing Balance</b>	<b>-</b>	<b>-</b>
<b>Net Block of Land</b>	<b>1.57</b>	<b>1.57</b>
<b>V. Building</b>		
Gross Block - Opening Balance	10.27	10.27
Add: Addition/Sale during the year	-	-
Less: Deletion/ Sale during the year	-	-
<b>Gross Block - Closing Balance</b>	<b>10.27</b>	<b>10.27</b>
Accumulated Depreciation - Opening Balance	0.16	-
Add: Depreciation during the year	0.11	0.16
<b>Accumulated Depreciation - Closing Balance</b>	<b>0.27</b>	<b>0.16</b>
<b>Net Block of Building</b>	<b>10.01</b>	<b>10.11</b>
<b>VI. Computers, Printers &amp; Other Accessories</b>		
Gross Block - Opening Balance	26.61	22.28
Add: Addition/Sale during the year	2.40	4.33
Less: Deletion/ Sale during the year	7.04	-
<b>Gross Block - Closing Balance</b>	<b>21.98</b>	<b>26.61</b>
Accumulated Depreciation - Opening Balance	12.49	4.82
Add: Depreciation during the year	5.04	7.67
Less: Accumulated Depreciation on Deletion	7.05	-
<b>Accumulated Depreciation - Closing Balance</b>	<b>10.48</b>	<b>12.49</b>
<b>Net Block Computers, Printers &amp; Other Accessories</b>	<b>11.50</b>	<b>14.12</b>
<b>Total Net Block of Tangible Assets (I + II + III + IV + V+ VI)</b>	<b>3,274.19</b>	<b>2,838.71</b>

**STATEMENT OF OTHER NON CURRENT ASSETS AS RESTATED**
**ANNEXURE – 18**
*(Rs. In lakhs)*

<b>Particulars</b>	<b>For the period ended October 31, 2023</b>	<b>For the year ended March 31, 2023</b>
Deposits - Earnest Money deposit (EMD)	560.42	477.79
Other Deposits	84.52	85.97
<b>Total</b>	<b>644.95</b>	<b>563.76</b>

**STATEMENT OF INVENTORIES AS RESTATED**
**ANNEXURE – 19**
*(Rs. In lakhs)*

<b>Particulars</b>	<b>For the period ended October 31, 2023</b>	<b>For the year ended March 31, 2023</b>
Raw Materials	2,475.67	1,992.15
Work-In-Progress	6,523.01	5,352.98
<b>Total</b>	<b>8,998.68</b>	<b>7,345.13</b>



# STATEMENT OF TRADE RECEIVABLES AS RESTATED

## ANNEXURE – 20

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Undisputed Trade receivables – considered good	2,137.24	1,070.79
<b>Total</b>	<b>2,137.24</b>	<b>1,070.79</b>

*Note: Trade Receivable Ageing schedule*

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Less Than 6 Months	502.84	533.21
6 Months - 1 Years	307.09	264.75
1 - 2 Years	939.23	147.75
2 - 3 Years	371.50	116.06
More Than 3 Years	16.58	9.02
<b>Total</b>	<b>2,137.24</b>	<b>1,070.79</b>

# STATEMENT OF CASH AND CASH EQUIVALENT AS RESTATED

## ANNEXURE – 21

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Cash In Hand	87.92	562.34
Balance With Bank	52.69	324.35
<b>Total</b>	<b>140.62</b>	<b>886.68</b>

# STATEMENT OF SHORT TERM LOANS AND ADVANCES AS RESTATED ANNEXURE – 22

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Salary Advance	6.44	0.26
Other Advances given to Suppliers & contractors	1,552.60	1,352.99
<b>Total</b>	<b>1,559.05</b>	<b>1,353.25</b>

# STATEMENT OF OTHER CURRENT ASSETS AS RESTATED

## ANNEXURE – 23

(Rs. In lakhs)

Particulars	For the period ended October	For the year ended March
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	31, 2023	31, 2023
Other Deposits	-	23.62
Rental Advances/Deposits	35.38	32.01
TDS Receivables	143.06	270.23
Pre-paid Expenses	43.48	17.78
Balance In Cash Ledger GST	14.10	84.95
Other Current Assets	225.13	181.18
Advance For Site Expenses	17.01	2.74
<b>Total</b>	<b>478.16</b>	<b>612.51</b>

**STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED**
**ANNEXURE – 24**
*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>Sales &amp; Services</b>		
<b>Sale from Trading Activities</b>		
- Domestic Sales	1,629.46	2,987.14
<b>Total Sale from Trading Activities</b>	<b>1,629.46</b>	<b>2,987.14</b>
<b>Sale from Service Activities</b>		
- Domestic Sales	6,204.62	9,779.09
<b>Total Sale from Service Activities</b>	<b>6,204.62</b>	<b>9,779.09</b>
<b>Less: Mutual Owings</b>	<b>(428.76)</b>	<b>(1,268.14)</b>
<b>Total Revenue from Operations</b>	<b>7,405.33</b>	<b>11,498.08</b>

**STATEMENT OF REVENUE FROM OTHER INCOME AS RESTATED**
**ANNEXURE – 25**
*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Interest Income	0.89	21.89
Insurance Refund	-	6.70
Other Income	5.67	23.42
<b>Total</b>	<b>6.57</b>	<b>52.00</b>

**STATEMENT OF COST OF MATERIALS CONSUMED AS RESTATED**
**ANNEXURE – 26**
*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Opening Stock of Raw Material	1,992.15	1,136.14
Opening Stock of Work in Progress	5,352.98	2,324.00

Add: Purchase during the Years	5,628.12	9,849.42
Less: Closing Stock of Raw Material	(2,475.67)	(1,992.15)
Less: Closing Stock of Work in Progress	(6,523.01)	(5,352.98)
Less: Mutual Owings	(428.76)	(1,268.14)
<b>Cost of Material Consumed</b>	<b>3,545.82</b>	<b>4,696.28</b>

**STATEMENT OF OTHER DIRECT EXPENSES AS RESTATED**
**ANNEXURE – 27**
*(Rs. In lakhs)*

<b>Particulars</b>	<b>For the period ended October 31, 2023</b>	<b>For the year ended March 31, 2023</b>
Power & Fuel Expenses	491.37	1,135.82
Wages & Sub Contract Payments	497.38	1,194.48
Machinery Rent	193.88	392.45
Freight & Transportation Charges	201.70	674.81
Water Charges	8.71	13.52
Plant & Machinery Repairs	14.02	14.92
Site Maintenance	15.10	39.22
Vehicle Maintenance & Insurance	190.34	282.11
Security Charges	14.06	28.21
<b>Total of Other Direct Expenses</b>	<b>1,626.56</b>	<b>3,775.54</b>

**STATEMENT OF EMPLOYEES BENEFIT EXPENSES AS RESTATED**
**ANNEXURE – 28**
*(Rs. In lakhs)*

<b>Particulars</b>	<b>For the period ended October 31, 2023</b>	<b>For the year ended March 31, 2023</b>
Salaries, Wages & Bonus	297.75	358.45
Provision for Gratuity	2.46	7.32
Staff Welfare Expenses	46.65	95.38
<b>Total</b>	<b>346.86</b>	<b>461.15</b>

**STATEMENT OF OTHER EXPENSES AS RESTATED**
**ANNEXURE – 29**
*(Rs. In lakhs)*

<b>Particulars</b>	<b>For the period ended October 31, 2023</b>	<b>For the year ended March 31, 2023</b>
Office Rent	35.99	62.24
Directors Remuneration	46.90	50.00
Audit Fee	3.00	8.50
Printing & Stationery	2.29	11.28
Professional & Consulting fee	7.61	6.80
Travelling Expense	5.66	25.08

Telephone & Internet Expenses	1.07	2.13
Advertisement Expenses	4.36	9.28
Repairs & Maintenance	7.10	14.37
Other Expenses	37.11	88.93
<b>Total Other Expenses</b>	<b>151.10</b>	<b>278.61</b>

#### STATEMENT OF DEPRECIATION & AMORTISATIONS EXPENSES AS RESTATED

ANNEXURE – 30

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Depreciation on Tangible Assets	188.90	290.34
<b>Total</b>	<b>188.90</b>	<b>290.34</b>

#### STATEMENT OF FINANCIAL CHARGES AS RESTATED

ANNEXURE – 31

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Interest Expenses	342.01	410.74
Bank Charges	15.16	28.07
<b>Total</b>	<b>357.17</b>	<b>438.82</b>

#### STATEMENT OF SUMMARY OF ACCOUNTING RATIOS AS RESTATED

ANNEXURE – 32

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>Total Revenue (A)</b>	<b>7,411.90</b>	<b>11,550.09</b>
<b>Net Profit as Restated (B)</b>	<b>855.78</b>	<b>1,205.31</b>
Add: Depreciation	188.90	290.34
Add: Interest on Loan	342.01	410.74
Add: Income Tax	328.37	394.74
<b>EBITDA (C)</b>	<b>1,715.06</b>	<b>2,301.13</b>
<b>EBITDA Margin (in %) (C/A)</b>	<b>23.14%</b>	<b>19.92%</b>
<b>Net Worth as Restated (D)</b>	<b>3,405.31</b>	<b>2,549.66</b>
<b>Return on Net worth (in %) as Restated (B/D)</b>	<b>25.13%</b>	<b>47.27%</b>
<b>Equity Share at the end of year/period (in Nos.) (E)</b>	<b>1,80,00,000</b>	<b>48,00,000</b>
Weighted No. of Equity Shares (G)	1,80,00,000	1,80,00,000
<b>Equity Share at the end of year/period (in Nos.) (F)</b>	<b>1,80,00,000</b>	<b>1,80,00,000</b>
- (Post Bonus after restated period)		
<b>Earnings per Equity Share as Restated (B/G)</b>	<b>4.75</b>	<b>25.11</b>
- Basic & Diluted (Pre Bonus)		
<b>Earnings per Equity Share (B/F)</b>	<b>4.75</b>	<b>6.70</b>





<b>- Basic &amp; Diluted (Post Bonus after restated period)</b>		
Net Asset Value per Equity share as Restated (D/E) - (Pre Bonus )	18.92	53.12
Net Asset Value per Equity share (D/F) - (Post Bonus )	18.92	14.16
<b>Note:-</b>		
EBITDA Margin = EBITDA/Total Revenues		
Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year		
Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.		
Companies (Accounting Standards) Rules 2006, as amended.		
Return on Net worth (%) = Restated Profit after taxation / Net worth x 100		
Net Worth = Equity Share Capital + Reserve and Surplus (including P&L surplus) - Revaluation Reserve, If any		
Net asset value/Book value per share (₹) = Net worth / No. of equity shares outstanding at the end of FY		
The Company does not have any revaluation reserves or extra-ordinary items.		
The figures disclosed above are based on the Restated Financial Statements of the Company		

#### STATEMENT OF TAX SHELTER, AS RESTATED

#### ANNEXURE – 33

Particulars	As At	
	October 31, 2023	March 31, 2023
<b>Profit Before Tax as per books of accounts (A)</b>	<b>1,195.49</b>	<b>1,609.35</b>
-- Normal Tax rate	25.17%	25.17%
-- Minimum Alternative Tax rate		
<b>Permanent differences</b>		
Employee Gratuity	2.46	7.32
<b>Total (B)</b>	<b>2.46</b>	<b>7.32</b>
<b>Timing Differences</b>		
Depreciation as per Books of Accounts	3,274.19	2,838.71
Depreciation as per Income Tax	2,937.84	2,591.71
Difference between tax depreciation and book depreciation	336.35	247.00
Other adjustments	-	-
Foreign income included in the statement	-	-
<b>Total (C)</b>	<b>336.35</b>	<b>247.00</b>
<b>Net Adjustments (D = B+C)</b>	<b>(333.89)</b>	<b>(239.68)</b>
<b>Total Income (E = A+D)</b>	<b>861.60</b>	<b>1,369.67</b>
Brought forward losses set off (Depreciation)	-	-
Tax effect on the above (F)	-	-
<b>Taxable Income/ (Loss) for the year/period (E+F)</b>	<b>861.60</b>	<b>1,369.67</b>
Tax Payable for the year	220.00	340.00
<b>Tax expense recognised</b>	<b>220.00</b>	<b>340.00</b>

#### STATEMENT OF RELATED PARTIES & TRANSACTIONS

#### ANNEXURE –34



The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

Name of the key managerial personnel/Entity	Relationship
Dhandayuthapani Prasanna	Director/KMP
Dhandayuthapani Vasanth	Director/KMP
Bollam Venkateshwarlu	Director/KMP
AVP Associates	Entities in which KMP/ Relatives of KMP can exercise significant influence
AVP SRR Readymix Concretes LLP *	

**\* Note**

AVP SRR Readymix Concretes LLP has applied for strike off on 28-12-2021 vide SRN:M25285347 and the present status as per MCA is under process of striking off.

**Transactions with Related Parties:**

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>Remuneration paid to Directors</b>		
Dhandayuthapani Prasanna	21.50	25.00
Bollam Venkateshwarlu	21.50	25.00
Dhandayuthapani Vasanth	2.90	-
<b>Total</b>	<b>45.90</b>	<b>50.00</b>
<b>Receivable From</b>		
AVP Associates	23.75	23.75
<b>Total</b>	<b>23.75</b>	<b>23.75</b>
<b>Loans from Director</b>		
Dhandayuthapani Prasanna	1,575.27	1,400.48
Bollam Venkateshwarlu	127.62	124.73
Dhandayuthapani Vasanth	2.03	-
<b>Total</b>	<b>1,704.92</b>	<b>1,525.21</b>

**STATEMENT OF PROVISION FOR GRATUITY AS RESTATED**

**ANNEXURE-35**

**Gratuity** - The Present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

**Interest cost:** It is the increase in the Plan liability over the accounting period resulting from the operation of the actuarial assumption of the interest rate.

**Current Service Cost:** is the discounted present value of the benefits from the Plan's benefit formula attributable to the services rendered by employees during the accounting period.



**Actuarial Gain or Loss:** occurs when the experience of the Plan differs from that anticipated from the actuarial assumptions. It could also occur due to changes made in the actuarial assumptions.

**(i) Reconciliation of Opening and Closing Balance of Gratuity Obligations:**

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Net Liability as at the Beginning of the Period	12.54	5.22
Net Expenses in P/L A/c	2.46	7.32
Benefits Paid	-	-
Net Liability as at the End of the Period	15.00	12.54
<b>Present Value of Gratuity Obligation (Closing)</b>	<b>15.00</b>	<b>12.54</b>

**(ii) Expenses recognised in Statement of Profit and Loss during the year:**

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Interest Cost	0.55	3.78
Current Service Cost	2.86	3.51
Past Service Cost	-	-
Expected Return on Plan Assets	-	-
Curtailement Cost (Credit)	-	-
Settlement Cost (Credit)	-	-
Net Actuarial (gain) / loss	(0.95)	0.03
Net Expenses to be recognized in P&L	2.46	7.32
<b>Total</b>	<b>2.46</b>	<b>7.32</b>

**(iii) Changes in Benefit Obligations:**

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Opening Defined benefit Obligation	-	-
Current Service Cost	2.86	3.51
Interest Cost for the Year	0.55	3.78
Actuarial losses (gains)	(0.95)	0.03
Benefits Paid	-	-
Closing Defined Benefit Obligation	2.46	7.32
<b>Total</b>	<b>2.46</b>	<b>7.32</b>

**(iv) Actuarial assumptions:**

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Rate of Discounting	7.64%	7.64%
Salary Escalation	7%	7%
Attrition Rate	10%	10%
Mortality rate during employment Indian	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

#### STATEMENT OF CONTINGENT LIABILITY AS RESTATED

#### ANNEXURE-36

##### A. Contingent Liabilities

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Claims against the Company not Acknowledged as Debt	Nil	Nil
Guarantees	Nil	Nil
Other money for which the Company is Contingently liable	Nil	Nil
<b>Total</b>	Nil	Nil

##### B. Commitments

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
Uncalled liability on shares and other investments partly paid	Nil	Nil
Other commitments	Nil	Nil
<b>Total</b>	Nil	Nil

#### ADDITIONAL DISCLOSURES WITH RESPECT TO AMENDMENTS TO SCHEDULE III AS RESTATED

#### ANNEXURE-37

- The Company have no immovable property whose title deeds are not held in the name of the company.
- The Company has not revalued its Property, Plant and Equipment during the reporting years.
- Loans and Advances granted to Promoters, Directors, KMP and Related Parties:

There are no Loans and Advances in the nature of loans that are granted to promoters, directors, KMP's and the related parties either severally or jointly with any other person, that are repayable on demand.

(iv) There are no proceedings initiated or pending against the Parent for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(v) The Company has made borrowing from the banks or financial institutions on the basis of security of current assets, and the statements of current assets as required to be filed by the Company with any the banks or financial institutions. Are done periodically.

(vi) The Company is not declared as wilful defaulter by any bank or financial institution or other lender.

(vii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013.

(viii) The Company do not have any charge to be registered with Registrar of Companies beyond the statutory period.

(ix) The Company has no subsidiaries with one layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(x) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(xi) Utilisation of Borrowed funds and share premium:

A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Company has 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:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## (xii) Ratios

### Statement of Other Accounting Ratios, as per Companies Act, 2013

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023
<b>Current Ratio</b> Current Assets / Current liabilities	1.29	1.28
<b>Debt-Equity Ratio</b> Total Outside Liabilities / Total Shareholder's Equity	2.29	2.64
<b>Return on Equity Ratio</b> (Net Profit After Taxes - Preference Dividend if any) / Net Worth	0.25	0.47
<b>Net Profit (after tax) Ratio</b> Net Profit (after tax) / Total Sales * 100	11.56%	10.48%

<b>Return on Capital Employed (EBIT / Capital Employed) * 100</b>	23%	35%
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**STATEMENT OF CAPITALIZATION, AS RESTATED**
**ANNEXURE-38**

Particulars	Pre-Issue	Post Issue*
	October 31,2023	
<b>Debt :</b>		
Short Term Debt	3,408.94	[•]
Long Term Debt	4,383.01	
<b>Total Debt</b>	<b>7,791.94</b>	
<b>Shareholders Funds</b>		
Equity Share Capital	1,800.00	[•]
Reserves and Surplus	1,605.31	[•]
Less: Misc. Expenditure	-	-
<b>Total Shareholders' Funds</b>	<b>3,405.31</b>	[•]
<b>Long Term Debt/ Shareholders' Funds</b>	<b>1.29</b>	[•]
<b>Total Debt / Shareholders Fund</b>	<b>2.29</b>	[•]

\* Assuming Full Allotment of IPO

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**Independent Auditor's Examination Report on Restated Standalone Financial Information of  
AVP Infracon Limited  
(Formerly known as AVP Infracon Private Limited & AVP Constructions Private Limited)**

To,

The Board of Directors

**AVP Infracon Limited**

**(Formerly Known as AVP Infracon Private Limited & AVP Constructions Private Limited)**

Plot.No.E-30, II ND Floor, II<sup>ND</sup> Avenue Beasant Nagar,

Chennai, Tamil Nadu-600 090

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of **AVP Infracon Limited (Formerly Known as AVP Infracon Private Limited & AVP Constructions Private Limited)**, comprising the Restated Standalone Statement of Assets and Liabilities as at October 31 2023, as at March 31 2023, 2022 and 2021, the Restated Standalone Statements of Profit and Loss and the Restated Cash Flow Statement for the period from 01-04-2023 to 31-10-2023 and for the years ended March 31 2023, 2022 and 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred to as, the **"Restated Standalone Financial Information"**), as approved by the Board of Directors of the Company at their meeting held on December 22, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") on **Emerge Platform of National Stock Exchange of India Limited ("NSE EMERGE")**.

These restated

Summary Statement have been 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"**).

2. The Company's Board of Directors is responsible for the preparation of the Restated Standalone Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Chennai and the Stock Exchange in connection with the proposed IPO. The Restated Standalone Financial Information has been prepared by the management of the Company on the basis of preparation stated in **Annexure 4** to the Restated Standalone Financial Information. The responsibilities of the Board of Directors of the Company include designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.





3. We have examined such Restated Standalone Financial Information taking into consideration:
  - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 02, 2023 in connection with the proposed IPO of equity shares of **AVP Infracon Limited (Formerly Known as AVP Infracon Private Limited & AVP Constructions Private Limited)** (the “**Issuer Company**”) on SME platform of National Stock Exchange of India Limited (“**NSE EMERGE**”);
  - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI);
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information; 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 IPO.
4. These Restated Standalone Financial Information have been compiled by the management from:
  - a. Audited Special Purpose Financial Standalone Statements of the Company for the period from 01/04/2023 to 31/10/2023 prepared in accordance with Accounting Standard as prescribed under section 133 of the Act and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on 22-12-2023.
  - b. Audited Standalone Financial Statements of the Company for the years ended on March 31, 2023, 2022 and 2021, prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held 22-12-2023.
5. For the purpose of our examination, we have relied on:
  - a. Auditor’s Report issued by us dated December 22, 2023 and the Standalone Financial Statement of the Company for the period from 01/04/2023 to 31/10/2023 and for the year ended March 31, 2023 respectively, and
  - b. Auditors’ Report issued by the Previous Auditors dated September 3, 2022 and November 30, 2021 on the financial standalone statements of the Company as at and for the years ended March 31, 2022 and 2021 respectively as referred in Paragraph 4(b) above.

The Audit for the financial years ended March 31, 2022 and 2021 were conducted by the Company’s previous auditors **SAMI & RAJHU, Chartered Accountants (“the Previous Auditor”)**. The Previous auditor is not in the position to examine the Restated Standalone Statement of Assets and Liabilities and the Restated Standalone Statements of Profit and Loss and Cash flow Statements, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the Audited Financial Information). We have performed adequate procedures to restate the Financial Information for the said years. The Examination Report included for the said years is based solely on the report submitted by the Previous Auditor.



6. There were no qualifications in the Audit Reports issued by us and by previous auditor as at and for the period from 01/04/2023 and 31/10/2023 and for the years ended on March 31, 2023, 2022 and 2021 which would require adjustments in this Restated Standalone Financial Information of the Company.

7. Based on our examination and according to the information and explanations given to us, we report that:

a. The Restated Standalone Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;

b. The Restated Standalone Summary Statements do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 6 above.

c. The Restated Standalone Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

d. The Restated Standalone Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments;

e. Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;

f. There was no change in accounting policies, which need to be adjusted in the Restated Standalone Summary Statement. The details of Prior period Adjustments are given in Annexure 5 of the Restated Standalone Financial Statements.

g. From Financial Years 2020-21 to 2022-23 and for the period from 01/04/2023 to 31/10/2023, i.e., the period covered in the restatement, the Company has not declared and paid any dividend.

8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the period from 01/04/2023 to 31/10/2023 and as at and for the years ended on March 31, 2023, 2022 and 2021 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus.

<b>Annexure No.</b>	<b>Particulars</b>
1	Standalone Financial Statement of Assets & Liabilities as Restated
2	Standalone Financial Statement of Profit & Loss as Restated
3	Standalone Financial Statement of Cash Flow as Restated
4	Significant Accounting Policy and Notes to the Restated Summary Statements
5	Adjustments made in Restated Standalone Financial Statements / Regrouping Notes
6	Statement of Share Capital as Restated
7	Statement of Reserves & Surplus as Restated
8	Statement of Long-Term Borrowings as Restated

9	Statement of Deferred Tax Liability as Restated
10	Statement of Long -Term Provisions as Restated
11	Statement of Short - Term Borrowings as Restated
12	Statement of Current Maturities of Long Term Borrowings as Restated
13	Statement of Trade Payables as Restated
14	Statement of Other Current Liabilities as Restated
15	Statement of Short - Term Provisions as Restated
16	Statement of Fixed Assets as Restated
17	Statement of Non-Current Investments as Restated
18	Statement of Long Term loans and Advances as Restated
19	Statement of Other Non-Current Assets as Restated
20	Statement of Inventories as Restated
21	Statement of Trade Receivables as Restated
22	Statement of Cash & Bank Balances as Restated
23	Statement of Short Term Loans and Advances as Restated
24	Statement of Other Current Assets as Restated
25	Statement of Revenue from Operations as Restated
26	Statement of Revenue from Other Income as Restated
27	Statement of Cost of Materials Consumed as Restated
28	Statement of Other Direct Expenses as Restated
29	Statement of Employee Benefit Expenses as Restated
30	Statement of Other Expenses as Restated
31	Statement of Depreciation and Amortization Expenses as Restated
32	Statement of Financial Charges as Restated
33	Statement of Summary of Accounting Ratios as Restated
34	Statement of Tax Shelter as Restated
35	Statement of Related Parties & Transactions as Restated
36	Statement of Provision for Gratuity as Restated
37	Statement of Contingent Liability as Restated
38	Statement of Additional Disclosures with Respect to amendments to schedule - III as Restated
39	Statement of Capitalisation Statement as Restated

9. We, **M/s. P P N and Company, Chartered Accountants** have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “**Peer Review Board**” of the ICAI.

10. The Restated Standalone Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Financial Statements and Audited Financial Statements mentioned in paragraph 5 above.

11. 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.



12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Chennai 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.

**For P P N And Company,  
Chartered Accountants,  
ICAI Firm Reg. No.: 013623S  
Peer Review Certificate No: 013578**

**Sd/-  
R.Rajaram  
Partner  
Membership No: 238452  
UDIN: 23238452BGXEDV2411**

**Place: Chennai  
Date: 22-12-2023**

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# ANNEXURE – 1

## STATEMENT OF STANDALONE ASSETS & LIABILITIES, AS RESTATED

(Rs. In Lakhs)

Particulars	Annexure No.	For the period ended	For the year ended		
		October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>I. EQUITY &amp; LIABILITIES</b>					
<b>(1) Shareholders Fund</b>					
a) Share capital	6	1,800.00	480.00	480.00	100.00
b) Reserves and Surplus	7	1,530.28	2,016.14	863.50	584.07
<b>Total Shareholder's Fund</b>		<b>3,330.28</b>	<b>2,496.14</b>	<b>1,343.50</b>	<b>684.07</b>
<b>(2) Non-Current Liabilities</b>					
a) Long-Term Borrowings	8	2,925.01	2,567.95	2,002.75	1,769.15
b) Deferred Tax Liability (Net)	9	49.59	37.26	45.28	30.42
c) Long Term Provisions	10	11.20	9.15	3.57	-
<b>Total Non Current Liabilities</b>		<b>2,985.80</b>	<b>2,614.36</b>	<b>2,051.60</b>	<b>1,799.57</b>
<b>(3) Current Liabilities</b>					
a) Short Term Borrowings	11	2,674.29	2,337.49	1,164.75	930.21
b) Current Maturity of Long Term Borrowings	12	915.51	579.85	-	-
c) Trade Payables	13				
- Total Outstanding Dues of Micro, Small and Medium Enterprises		899.41	1,678.23	900.50	852.60
- Total Outstanding Dues Other than Micro, Small and Medium Enterprises		2,918.40	1,703.00	715.29	827.53
d) Other Current Liabilities	14	179.24	165.13	62.37	28.10
e) Short Term Provisions	15	384.54	359.21	1.65	3.57
<b>Total Current Liabilities</b>		<b>7,971.39</b>	<b>6,822.90</b>	<b>2,844.55</b>	<b>2,642.01</b>
<b>Total Equity &amp; Liability</b>		<b>14,287.47</b>	<b>11,933.39</b>	<b>6,239.66</b>	<b>5,125.65</b>
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
<b>a) Fixed Assets</b>					
(i) Property, Plant and Equipments	16	2,397.12	1,924.01	1,502.95	1,324.75
<b>Total Fixed Assets</b>		<b>2,397.12</b>	<b>1,924.01</b>	<b>1,502.95</b>	<b>1,324.75</b>
b) Non - current Investments	17	115.89	35.24	-	-
c) Long Term Loans and Advances	18	-	-	3.86	3.86
d) Other Non- current Assets	19	644.95	563.76	501.40	253.69
<b>Total Non Current Assets</b>		<b>760.84</b>	<b>599.01</b>	<b>505.26</b>	<b>257.55</b>
<b>(2) Current assets</b>					
a) Inventories	20	7,489.45	6,083.26	2,424.87	1,590.96
b) Trade Receivables	21	2,114.05	952.85	1,446.54	1,358.57
c) Cash and Cash Equivalents balances	22	88.60	657.65	309.02	333.74
d) Short Term Loans and advances	23	1,212.43	1,343.29	-	5.32
e) Other Current Assets	24	224.99	373.31	51.02	254.75
<b>Total Current Assets</b>		<b>11,129.51</b>	<b>9,410.37</b>	<b>4,231.45</b>	<b>3,543.35</b>
<b>Total Assets</b>		<b>14,287.47</b>	<b>11,933.39</b>	<b>6,239.66</b>	<b>5,125.65</b>
<b>As per our report of even date attached</b>					
<b>For P P N AND COMPANY</b>		<b>For and on behalf of the Board of Directors of</b>			
<b>Chartered Accountants</b>		<b>AVP INFRACON LIMITED</b>			
<b>Firm Reg No: 013623S</b>		<b>(formerly known as AVP Infracon Private Limited &amp; AVP Constructions Private Ltd.)</b>			
<b>Peer Review Certificate No. 013578</b>					
<b>R. RAJARAM</b>	<b>DHANDAYUTHAPANI PRASANNA</b>	<b>BOLLAM VENKATESHWARALU</b>			
<b>Partner</b>	Managing Director	Joint Managing Director cum Chief Financial Officer			
<b>Membership No: 238452</b>	<b>DIN: 02720759</b>	<b>DIN :02720729</b>			
<b>UDIN No: 23238452BGXEDV2411</b>					
		<b>PRIYANKA SINGH</b>			
		Company Secretary cum Compliance Officer			
		<b>M. No.62187</b>			
<b>Place: Chennai</b>		<b>Place: Chennai</b>			
<b>Date: 22-12-2023</b>		<b>Date: 22-12-2023</b>			



ANNEXURE – 2

STATEMENT OF STANDALONE PROFIT & LOSS, AS RESTATED

(Rs. In Lakhs)

Particulars	Annexure No.	For the period ended	For the year ended		
		October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Income</b>					
Revenue from Operations	25	6,918.69	10,633.56	6,388.85	5,799.76
Other Income	26	86.44	81.84	13.65	18.05
<b>Total Income</b>		<b>7,005.13</b>	<b>10,715.40</b>	<b>6,402.50</b>	<b>5,817.80</b>
<b>Expenditure</b>					
Cost of Consumption	27	3,658.84	4,741.14	2,857.02	3,798.65
Other Direct Expenses	28	1,400.28	3,341.80	2,127.91	830.77
Employee Benefit Expenses	29	251.98	296.80	251.83	503.63
Other Expenses	30	123.42	225.41	127.23	71.25
<b>Total Expenses</b>		<b>5,434.52</b>	<b>8,605.15</b>	<b>5,363.99</b>	<b>5,204.30</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>1,570.61</b>	<b>2,110.25</b>	<b>1,038.50</b>	<b>613.50</b>
Depreciation & Amortisation Expenses	31	154.86	234.66	170.39	102.04
<b>Profit Before Interest and Tax</b>		<b>1,415.75</b>	<b>1,875.58</b>	<b>868.11</b>	<b>511.46</b>
Financial Charges	32	319.05	371.77	309.05	195.40
<b>Profit before Taxation</b>		<b>1,096.70</b>	<b>1,503.81</b>	<b>559.07</b>	<b>316.06</b>
Provision for Taxation		250.10	359.21	144.77	79.67
Provision for Deferred Tax		12.33	(8.03)	14.87	10.10
<b>Total</b>		<b>262.43</b>	<b>351.18</b>	<b>159.64</b>	<b>89.77</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>834.27</b>	<b>1,152.63</b>	<b>399.43</b>	<b>226.30</b>
Extraordinary Items		-	-	-	-
<b>Net Profit after adjustments</b>		<b>834.27</b>	<b>1,152.63</b>	<b>399.43</b>	<b>226.30</b>
<b>Net Profit Transferred to Balance Sheet</b>		<b>834.27</b>	<b>1,152.63</b>	<b>399.43</b>	<b>226.30</b>
<b>Earnings per Equity Share of Rs.10/- each</b>					
-Basic		4.63	6.40	2.22	1.26
-Diluted		4.63	6.40	2.22	1.26
As per our report of even date attached					
<b>For P P N AND COMPANY</b>		<b>For and on behalf of the Board of Directors of</b>			
<b>Chartered Accountants</b>		<b>AVP INFRACON LIMITED</b>			
<b>Firm Reg No: 013623S</b>		(formerly known as AVP Infracon Private Limited & AVP Constructions Private Ltd.)			
<b>Peer Review Certificate No. 013578</b>					
		<b>DHANDAYUTHAPANI</b>	<b>BOLLAM VENKATESHWARALU</b>		
<b>R. RAJARAM</b>		<b>PRASANNA</b>			
<b>Partner</b>		Managing Director	Joint Managing Director cum Chief Financial Officer		
<b>Membership No: 238452</b>		<b>DIN: 02720759</b>	<b>DIN :02720729</b>		
<b>UDIN No: 23238452BGXEDV2411</b>					
		<b>PRIYANKA SINGH</b>			
		Company Secretary cum Compliance Officer			
		<b>M. No.62187</b>			
<b>Place: Chennai</b>		<b>Place: Chennai</b>			
<b>Date: 22-12-2023</b>		<b>Date: 22-12-2023</b>			

**STATEMENT OF STANDALONE CASH FLOW, AS RESTATED**
*(Rs. In Lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax as per Profit & Loss A/c	1,096.70	1,503.81	559.07	316.06
Adjusted for :				
a. Depreciation	154.86	234.66	170.39	102.04
b. Interest Expenses & Finance Cost	319.05	371.77	309.05	195.40
c. Gratuity Expense	2.05	3.94	1.65	3.57
d. Other Adjustments	(0.13)	-	-	(7.52)
e. Interest & Other Income	(0.89)	(21.89)	(13.21)	(11.82)
<b>Operating profit before working capital changes</b>	<b>1,571.64</b>	<b>2,092.29</b>	<b>1,026.95</b>	<b>597.73</b>
Adjusted for :				
a. Decrease /(Increase) in Inventories	(1,406.18)	(3,658.39)	(833.91)	(316.36)
b. Decrease / ( Increase ) in trade receivable	(1,161.20)	493.69	(87.96)	(1,226.25)
c. ( Increase ) / Decrease in Short term loans and advances	130.86	(1,343.29)	5.32	383.08
d. Increase / ( Decrease ) in Trade Payables	436.58	1,765.45	(64.34)	722.47
e. Increase / (Decrease) in Short term provisions	-	-	-	(6.71)
f. Increase / ( Decrease ) in Other current liabilities	14.11	102.76	34.27	7.41
g. ( Increase ) / Decrease in Other Current Assets	148.32	(322.29)	203.73	(212.19)
<b>Cash generated from operations</b>	<b>(265.87)</b>	<b>(869.79)</b>	<b>284.05</b>	<b>(50.83)</b>
Net Income Tax (Paid)/Refund	(224.76)	-	(144.77)	(79.67)
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>(490.63)</b>	<b>(869.79)</b>	<b>139.27</b>	<b>(130.50)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITES</b>				
a. (Purchase) Sale of Fixed Assets	(627.97)	(655.73)	(348.59)	(926.62)
b. ( Purchase ) / Sale of non-current investment	(80.65)	(35.24)	-	-
c. ( Increase ) / Decrease in Long term loans and advances	-	3.86	-	-
d. ( Increase ) / Decrease in Other Non Current Assets	(81.18)	(62.37)	(247.70)	(253.69)
e. Interest & Other Income	0.89	21.89	13.21	11.82
<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(788.90)</b>	<b>(727.59)</b>	<b>(583.08)</b>	<b>(1,168.49)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITES</b>				
a. Interest & Finance Cost	(319.05)	(371.77)	(309.05)	(195.40)
b. Proceeds from share issued including Premium	-	-	260.00	-
c. ( Repayments ) / proceeds of long term borrowings	357.07	565.20	233.60	1,276.81
d. ( Repayments ) / proceeds of short term borrowings	672.47	1,752.58	234.54	255.49
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>710.48</b>	<b>1,946.01</b>	<b>419.09</b>	<b>1,336.90</b>
<b>Net Increase / ( Decrease ) in cash and cash equivalents</b>	<b>(569.05)</b>	<b>348.63</b>	<b>(24.72)</b>	<b>37.91</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>657.65</b>	<b>309.02</b>	<b>333.74</b>	<b>295.83</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>88.60</b>	<b>657.66</b>	<b>309.02</b>	<b>333.74</b>
<b>For P P N AND COMPANY</b>				
<b>Chartered Accountants</b>				
<b>Firm Reg No: 013623S</b>				
<b>Peer Review Certificate No. 013578</b>				
<b>For and on behalf of the Board of Directors of</b>				
<b>AVP INFRACON LIMITED</b>				
<b>(formerly known as AVP Infracon Private Limited &amp; AVP Constructions Private Ltd.)</b>				
<b>R. RAJARAM</b>				
<b>Partner</b>				
<b>DHANDAYUTHAPANI PRASANNA</b>				
<b>Managing Director</b>				
<b>BOLLAM VENKATESHWARALU</b>				
<b>Joint Managing Director cum Chief Financial Officer</b>				
<b>Membership No: 238452</b>				
<b>DIN: 02720759</b>				
<b>UDIN No: 23238452BGXEDV2411</b>				
<b>DIN :02720729</b>				
<b>PRIYANKA SINGH</b>				
<b>Company Secretary cum Compliance Officer</b>				
<b>M. No.62187</b>				
<b>Place: Chennai</b>				
<b>Date: 22-12-2023</b>				
<b>Place: Chennai</b>				
<b>Date: 22-12-2023</b>				





## **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

### **ANNEXURE-4**

#### **A. BACKGROUND**

AVP Constructions Private Limited (the Holding Company ) having CIN:U45400TN2009PTC072861 incorporated on 09th September 2009 under the provisions of the Companies Act, 1956, and having its registered office at Plot No.E-30, Second Floor, Second Avenue Besant Nagar, Chennai - 600090 and the company name changed from AVP Constructions Private Limited to AVP Infracon Private Limited vide special resolution passed by our shareholders at the Extra Ordinary General Meeting held on 11.09.2023. Subsequently, Company was converted into Public Limited Company vide special resolution passed by our shareholders at the Extra Ordinary General Meeting held on 20.10.2023 and the name of the Company was changed to AVP Infracon Limited ('the Company' or the "Issuer") pursuant to issuance of Fresh Certificate of Incorporation dated 16.11.2023 Registrar of Companies, Chennai with Corporate Identification Number U45400TN2009PLC072861.

The Company is engaged in the business of construction and transacts the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, level, decorate, fabricate, reconstruct, renovate, remodel, rebuild all types of infrastructure developmental works, constructions works such as technically complex and high value projects like Express ways, National Highways, Flyovers, Bridges and Viaducts, Irrigation Projects, Urban Development - Civic amenities, Hospitals, warehouses, hotels and other Commercial and Residential Projects

#### **B. SIGNIFICANT ACCOUNTING POLICIES**

##### **1 Basis of Preparation:**

The summary statement of restated assets and liabilities of the Company as at 31st October 2023 and 31st March, 2023, 2022 & 2021 and the related summary statement of restated profit and loss and cash flows for the period ended 31st October 2023, and for the year ended 31st March 2023, 2022 & 2021 (collectively referred to as the "Restated summary of financial information") have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The restated summary of consolidated financial information has been prepared by applying necessary adjustments to the financial statements ('financial statements') of the Company . The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards specified under section 133 of the Companies Act, 2013, of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations 2018, as amended (the "Regulations"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year .

##### **2 Use of Estimates:**



The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, income taxes, post - sales customer support and the useful lives of Property Plant and Equipments and intangible assets.

### **3 Revenue Recognition:**

The company derives its revenues primarily from construction activities including infrastructure developmental works, constructions works such as technically complex and high value projects like Express ways, National Highways, Flyovers, Bridges and Viaducts, Irrigation Projects, Urban Development - Civic amenities and other projects etc.

Construction contract receipts have been recognised as per AS-7. Revenue from construction services, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognized. When it is probable that the total contract cost will exceed the total contract revenue, the company recognises the estimated loss.

The following other revenues are recognized and accounted on their accrual with necessary provisions for all known liabilities and losses as per AS 9.

Interest Income: Revenue is recognized on the time proportion basis after taking into account the amount outstanding and the rate applicable.

Dividend Income : Dividend Income is recognised when the owners right to receive payment is established.

Other Income : Other items of income and expenditure are recognized on accrual basis and as a going concern basis, and the accounting policies are consistent with the generally accepted accounting policies.

### **4 Property, Plant and Equipment including Intangible Assets:**

Property, Plant and Equipments are stated at cost, less accumulated depreciation. Cost includes cost of acquisition including material cost, freight, installation cost, duties and taxes, and other incidental expenses, incurred up to the installation stage, related to such acquisition. Property, Plant and Equipments purchased in India in foreign currency are recorded in Rupees, converted at the exchange rate prevailed on the date of purchase. Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

### **5 Depreciation & Amortisation:**

The Company has applied the estimated useful lives as specified in Schedule II of the Companies Act 2013 and calculated the depreciation as per the Written Down Value (WDV) method. Depreciation on new assets acquired during the year is provided at the rates applicable from the date of acquisition to the end of the financial year. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal.

The estimated useful lives of assets are as follows:



## Useful life of Property, Plant and Equipment

Category	Schedule - II Part 'C '	Useful life
Computer & Accessories	XII (ii)	3 years
Furniture & Fittings	V (i)	10 years
Office Equipments	XI	5 years
Plant & Machinery - Construction	IV (ii) (k) (1)	12 years
Plant & Machinery - General	IV (i) (a)	15 Years
Plant & Machinery - Earth Movers	IV (ii) (k) (4)	9 years
Vehicles - General	VI (3)	8 years

## 6 Impairment of Assets:

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognised wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. Reversal of impairment loss is recognised immediately as income in the profit and loss account.

## 7 Foreign Currency Transactions:

### Domestic Operation:

#### I Initial Recognition :

A foreign currency transactions are recorded, on initial recognition 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 Measurement :

Foreign currency monetary items are reported 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 date of the transaction.

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 Treatment of Foreign Exchange :

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

## 8 Employee Benefits:

## **Post-Employment Benefits:**

### **Defined Benefit Plan:**

Gratuity liability is a defined benefit obligation and is unfunded. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year.

## **9 Taxes on Income:**

Income Tax expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax stated below:

### **A. Current Tax:**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

### **B. Deferred Tax:**

Deferred tax is recognised, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carried forward losses, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## **10 Provisions and Contingent Liabilities:**

A provision is recognised if, as a result of past event, the Company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by the best estimate of outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **11 Earnings Per Share:**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. In cases the diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.



## 12 Cash and Cash Equivalents:

Cash and cash equivalents comprise cash and cash deposits with banks. The Company considers all highly liquid investments with a original maturity at a date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## 13 Cash Flow Statement:

Cash flows are reported using indirect method, whereby net profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 14 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

## ADJUSTMENTS MADE IN RESTATED STANDALONE FINANCIAL STATEMENTS / REGROUPING NOTES ANNEXURE-5

### Adjustments having no impact on Profit Material Regrouping

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

### Reconciliation of Profit:

(Amount in ₹ Lakhs)

Particulars	October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Net profit After Tax as per Audited Accounts But Before</b>	<b>834.27</b>	<b>1,151.79</b>	<b>243.57</b>	<b>162.14</b>
<b><u>Adjustments for</u></b>				
<b><u>Restated Accounts :</u></b>				
Provision for Gratuity recognized	-	-	(1.65)	(3.57)
Difference in Amount of Depreciation	-	-	108.11	77.83
Provision for Deferred Tax	-	0.85	49.41	(10.10)
<b>Net adjustment in Profit and loss Account</b>	<b>-</b>	<b>0.85</b>	<b>155.86</b>	<b>64.17</b>
Adjusted Profit after Tax	834.27	1,152.63	399.43	226.30
<b>Net Profit after Tax as per Restated Accounts</b>	<b>834.27</b>	<b>1,152.63</b>	<b>399.43</b>	<b>226.30</b>

### Reconciliation of Equity:

(Amount in ₹ Lakhs)

Particulars	October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Equity as per Audited Financial Statements</b>	<b>3,330.28</b>	<b>2,016.14</b>	<b>1,046.65</b>	<b>509.77</b>
Provision for Gratuity Recognized	-	-	(5.22)	(3.57)
Difference in Amount of Depreciation	-	-	185.94	77.83
Difference in Carrying Value of Assets Due to Errors in Depreciation	-	-	170.35	170.35
Provision for Deferred Tax	-	-	(54.22)	(70.32)
<b>Net Adjustment in Equity</b>	<b>-</b>	<b>-</b>	<b>296.85</b>	<b>174.30</b>
Adjusted Equity	-	-	1,343.50	684.07
<b>Equity as Restated</b>	<b>3,330.28</b>	<b>2,016.14</b>	<b>1,343.50</b>	<b>684.07</b>

## STATEMENT OF SHARE CAPITAL AS RESTATED

## ANNEXURE – 6

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Authorised Capital #</b>				
2,50,00,000 Equity shares of ₹10/- each	2,500.00	500.00	500.00	100.00
<b>Issued, Subscribed &amp; Fully Paid-up</b>				
1,80,00,000 Equity shares of ₹10/- each	1,800.00	480.00	480.00	100.00
<b>Total</b>	<b>1,800.00</b>	<b>480.00</b>	<b>480.00</b>	<b>100.00</b>

### # Note

Authorised capital was increased from 50,00,000 equity shares to 2,50,00,000 equity shares vide members resolution and approval on 30-09-2023.

## Reconciliation of No. of Shares Outstanding at the end of the year

(No. of Equity Shares)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Shares outstanding at the beginning of the year	48,00,000	48,00,000	10,00,000	10,00,000
Shares issued during the year	-	-	38,00,000	-
Bonus Shares Issued during the year *	1,32,00,000	-	-	-
<b>Share outstanding at the end of the year</b>	<b>1,80,00,000</b>	<b>48,00,000</b>	<b>48,00,000</b>	<b>10,00,000</b>

### \* Note

The Company issued the Bonus shares for the existig shareholders in the ratio of 11 shares for every 4 shares held vide special resolution passed at EGM dated 20th October 2023.

## Details of Shareholding more than 5% of the aggregate shares in the company

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
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	2023			
<b>Dhandayuthapani Prasanna</b>				
No. of Shares	83,62,493	22,29,998	28,79,998	7,00,000
% Holding	46.46%	46.46%	60.00%	70.00%
<b>Bollam Venkateshwarlu</b>				
No. of Shares	57,00,000	15,20,000	19,20,000	3,00,000
% Holding	31.67%	31.67%	40.00%	30.00%
<b>Aparna Samir Thakker</b>				
No. of Shares	11,97,000	-	-	-
% Holding	6.65%	0.00%	0.00%	0.00%
<b>Mukesh Purushottam Chamedia</b>				
No. of Shares	11,97,000	-	-	-
% Holding	6.65%	0.00%	0.00%	0.00%

#### Details of Shareholding of Promoters

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Dhandayuthapani Prasanna</b>				
No. of Shares	83,62,493	22,29,998	28,79,998	7,00,000
% Holding	46.46%	46.46%	60.00%	70.00%
% change during the year	0.00%	(22.57%)	(14.29%)	0.00%
<b>Bollam Venkateshwarlu</b>				
No. of Shares	57,00,000	15,20,000	19,20,000	3,00,000
% Holding	31.67%	31.67%	40.00%	30.00%
% change during the year	0.00%	(20.83%)	33.33%	0.00%

#### STATEMENT OF RESERVE & SURPLUS AS RESTATED

#### ANNEXURE – 7

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(a) General/ Free Reserves</b>				
Opening Balance	1,400.00	-	-	-
Add: Additions during the year	-	1,400.00	-	-
Less: Bonus Shares issued	1,320.00	-	-	-
<b>Closing Balance</b>	<b>80.00</b>	<b>1,400.00</b>	-	-
<b>Statement of Profit &amp; Loss</b>				
Opening balance	616.14	863.50	584.07	247.20
Add: Profit for the year	834.27	1,152.63	399.43	226.30
<b>Total</b>	<b>1,450.41</b>	<b>2,016.14</b>	<b>983.50</b>	<b>473.50</b>
Add :Adjustment due to Carrying Value of Fixed Assets	-	-	-	170.35
Add : Adjustment due to Deferred tax Calculation	-	-	-	(52.25)
Add : Prior Period Adjustments *	(0.13)	-	-	(7.52)
Less: Utilised for Bonus Issue	-	-	120.00	-
Less : Transferred to General Reserves	-	1,400.00	-	-
<b>Balance as at the end of the year for Profit &amp; Loss</b>	<b>1,450.28</b>	<b>616.14</b>	<b>863.50</b>	<b>584.07</b>





Total Reserve & Surplus	1,530.28	2,016.14	863.50	584.07
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\*Note : Adjustments in Reserves due to Tax provision

#### STATEMENT OF LONG TERM BORROWINGS AS RESTATED

#### ANNEXURE – 8

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Secured Loans from Banks/ Financial Institutions *</b>				
i. From banks	1,206.24	936.54	924.67	1,046.48
ii. From other Financial Institutions	13.85	106.19	520.78	542.07
<b>Total of Secured Loans from Banks/ Financial Institutions</b>	<b>1,220.09</b>	<b>1,042.73</b>	<b>1,445.45</b>	<b>1,588.55</b>
<b>Unsecured Loans from Related Parties</b>				
Loans From Directors	1,704.92	1,525.21	557.30	180.60
<b>Total of Unsecured Loans from Related Parties</b>	<b>1,704.92</b>	<b>1,525.21</b>	<b>557.30</b>	<b>180.60</b>
<b>Total Long Term Borrowings</b>	<b>2,925.01</b>	<b>2,567.95</b>	<b>2,002.75</b>	<b>1,769</b>

\* Note the details of loans are attached separately

\*Note - Details of Loans Forming part of Balance Sheet Annexure – 8

(All Amounts are in Lakhs)

AVP INFRACON LIMITED						
S. No	Particulars	Terms of Repayment (in months)	Rate of Interest (p.a)	No. of Instalments Outstanding as on 31.10.2023(in months)	Earnest Monthly Instalment(EMI)/ Principal Amount	Closing Balance as at 31.10.23
1	Axis Bank Limited	48	8.75%	10	0.63	6.07
2	Axis Bank Limited	48	8.75%	10	0.62	6.00
3	Axis Bank Limited	48	8.75%	10	0.62	6.00
4	Axis Bank Limited	48	8.50%	10	1.89	25.05
5	Axis Bank Limited	48	8.50%	14	0.81	10.79
6	Axis Bank Limited	48	8.50%	14	0.81	10.79
7	Axis Bank Limited	48	8.50%	14	0.81	10.79
8	Axis Bank Limited	48	8.50%	14	0.81	10.79
9	Axis Bank Limited	48	8.50%	14	0.81	10.79
10	Axis Bank Limited	48	8.50%	14	0.81	10.79
11	Axis Bank	36	8.50%	5	0.80	3.90

	Limited					
12	Axis Bank Limited	48	8.50%	14	0.49	6.45
13	Axis Bank Limited	48	8.50%	13	0.24	3.03
14	Axis Bank Limited	48	8.50%	14	0.24	3.04
15	Axis Bank Limited	48	8.50%	14	0.24	3.25
16	Axis Bank Limited	48	8.50%	14	0.24	3.25
17	Axis Bank Limited	48	8.50%	14	0.24	3.25
18	Axis Bank Limited	48	8.50%	14	0.24	3.25
19	CNH Industrial Capital (India) Private Limited	47	8.14%	18	0.59	9.98
20	CNH Industrial Capital(India) Private Limited	47	8.14%	18	0.59	9.98
21	CNH Industrial Capital(India) Private Limited	47	8.14%	18	0.59	9.98
22	CNH Industrial Capital(India) Private Limited	47	8.14%	18	0.59	9.98
23	Daimler Financial Services India Private Limited	47	8.75%	12	1.01	11.55
24	Daimler Financial Services India Private Limited	47	8.75%	12	1.01	11.55
25	Daimler Financial Services India Private Limited	47	8.75%	12	1.01	11.55
26	Daimler Financial Services India Private Limited	47	8.75%	12	1.01	11.55
27	Equitas Finance Limited	36	19.02%	5	0.21	0.99
28	Equitas Finance Limited	36	19.02%	5	0.21	0.99
29	Federal Bank Limited	36	9.25%	10	4.72	41.33
30	Federal Bank Limited	36	9.25%	36	4.18	131.00

31	HDFC Bank Limited	47	9.76%	14	0.21	2.79
32	HDFC Bank Limited	47	8.19%	36	1.27	40.26
33	HDFC Bank Limited	47	8.19%	36	1.27	40.26
34	HDFC Bank Limited	47	8.19%	36	1.27	40.26
35	HDFC Bank Limited	47	8.19%	36	1.27	40.26
36	HDFC Bank Limited	47	8.19%	36	1.27	40.26
37	HDFC Bank Limited	47	8.19%	36	1.27	40.26
38	HDFC Bank Limited	60	7.35%	44	0.45	17.30
39	HDFC Bank Limited	48	9.00%	16	1.06	15.91
40	ICICI Bank Limited	47	8.01%	33	0.73	21.57
41	ICICI Bank Limited	47	8.01%	33	0.73	21.57
42	ICICI Bank Limited	47	8.01%	34	1.29	39.08
43	ICICI Bank Limited	47	8.01%	35	1.29	40.11
44	ICICI Bank Limited	47	8.01%	35	1.29	40.10
45	ICICI Bank Limited	47	8.01%	35	1.29	40.10
46	IDFC First Bank Limited	60	10.50%	53	1.18	49.96
47	Kotak Mahindra Bank Limited	23	10.05%	7	1.08	7.34
48	Kotak Mahindra Bank Limited	36	9.20%	10	0.89	7.72
49	Kotak Mahindra Bank Limited	46	8.50%	12	0.92	10.53
50	Kotak Mahindra Bank Limited	36	9.25%	10	0.75	7.16
51	Kotak Mahindra Bank	47	7.53%	29	1.22	32.26

	Limited					
52	Kotak Mahindra Bank Limited	47	7.53%	29	1.22	32.26
53	Kotak Mahindra Bank Limited	47	7.54%	29	1.25	33.12
54	Kotak Mahindra Bank Limited	36	13.03%	20	3.39	60.67
55	Kotak Mahindra Bank Limited	23	10.09%	7	0.30	2.06
56	Kotak Mahindra Bank Limited	46	7.70%	30	3.13	87.80
57	Karur Vysya Bank	84	9.20%	20	0.22	4.03
58	Tata Motors Finance Limited	47	9.38%	13	0.98	12.09
59	Tata Motors Finance Limited	47	9.42%	13	0.98	12.09
60	Tata Motors Finance Limited	47	9.38%	13	0.98	12.09
61	Tata Motors Finance Limited	47	9.38%	13	0.98	12.09
62	Tata Motors Finance Limited	47	9.38%	13	0.98	12.09
63	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
64	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
65	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
66	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
67	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
68	Tata Motors Finance Limited	35	9.42%	1	0.26	0.26
69	Youth Enterprise Scheme Bank	25	12.97%	13	0.38	4.23

70	HDFC Bank Limited	48	9.26%	41	0.33	11.62
71	Kotak Mahindra Bank Limited	36	13.11%	29	0.49	13.20
72	Kotak Mahindra Bank Limited	36	13.17%	29	0.26	6.86
73	Kotak Mahindra Bank Limited	36	13.08%	29	0.41	11.00
74	Kotak Mahindra Bank Limited	36	13.15%	29	0.57	15.34
75	Kotak Mahindra Bank Limited	36	13.11%	29	0.49	13.20
76	Kotak Mahindra Bank Limited	36	9.52%	29	1.04	30.06
77	Federal Bank Limited	47	8.80%	47	1.40	55.40
78	Federal Bank Limited	47	8.80%	47	1.40	55.40
79	Federal Bank Limited	47	8.80%	47	1.40	55.40
80	Federal Bank Limited	47	8.80%	47	1.40	55.40
81	Federal Bank Limited	47	8.80%	47	1.40	55.40
82	Federal Bank Limited	47	8.80%	47	1.40	55.40
83	Federal Bank Limited	47	8.80%	47	1.40	55.40
84	Federal Bank Limited	47	8.80%	47	1.40	55.40
85	Federal Bank Limited	47	9.00%	43	1.97	73.51
86	Federal Bank Limited	47	9.00%	43	1.97	73.51
87	Federal Bank Limited	47	9.01%	43	0.75	28.04
88	Federal Bank Limited	47	9.01%	43	0.75	28.04
89	Kotak Mahindra Bank Limited	35	9.50%	35	1.13	39.48
90	Kotak Mahindra	35	9.50%	35	1.13	39.48



	Bank Limited					
91	Kotak Mahindra Bank Limited	35	9.52%	28	1.04	30.06
<b>Total</b>						<b>2,135.59</b>

#### STATEMENT OF DEFERRED TAX LIABILITIES AS RESTATED

#### ANNEXURE – 9

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Deferred Tax Assets/Liabilities Provision</b>				
On Account of Depreciation	52.41	39.56	46.78	31.44
<b>(DTA)/DTL</b>	<b>52.41</b>	<b>39.56</b>	<b>46.78</b>	<b>31.44</b>
<b>Deferred Tax Assets Provision</b>	(2.82)	(2.30)	(1.49)	(1.02)
On Account of Provision for Gratuity				
<b>Closing Balance of (DTA)/DTL</b>	<b>49.59</b>	<b>37.26</b>	<b>45.28</b>	<b>30.42</b>

#### STATEMENT OF LONG TERM PROVISIONS AS RESTATED

#### ANNEXURE – 10

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for Gratuity	11.20	9.15	3.57	-
<b>Total</b>	<b>11.20</b>	<b>9.15</b>	<b>3.57</b>	<b>-</b>

#### STATEMENT OF SHORT TERM BORROWINGS AS RESTATED

#### ANNEXURE – 11

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Secured Loans from Bank/FIs</b>				
From Banks	2,674.29	2,271.29	1,164.75	930.21
Other Financial Institutions		16.19		
<b>Total of Secured Loans from Bank/FIs</b>	<b>2,674.29</b>	<b>2,287.49</b>	<b>1,164.75</b>	<b>930.21</b>
<b>Unsecured Loans</b>				
From other Body Corporates	-	50.00	-	-
<b>Total of Unsecured Loans</b>	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>-</b>
<b>Total Short Term Borrowings</b>	<b>2,674.29</b>	<b>2,337.49</b>	<b>1,164.75</b>	<b>930.21</b>

**STATEMENT OF CURRENT MATURITY OF LONG TERM BORROWING AS RESTATED**
**ANNEXURE – 12**
*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Maturities of Long-term borrowings - From Banks	781.21	425.79	-	-
Current Maturities of Long-term borrowings - Other Financial Institution	134.30	154.05	-	-
<b>Total of Current Maturity of Long Term Borrowing</b>	<b>915.51</b>	<b>579.85</b>	<b>-</b>	<b>-</b>

**STATEMENT OF TRADE PAYABLES AS RESTATED**
**ANNEXURE – 13**
*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Outstanding Dues of Micro, Small and Medium Enterprises	899.41	1,678.23	900.50	852.60
Total Outstanding Dues Other than Micro, Small and Medium Enterprises	2,918.40	1,703.00	715.29	827.53

*Note: Trade Payable Ageing schedule*
*For the period ended October 31, 2023*

Particulars	Outstanding for the following periods			
	Less than 1 Year	1-2 Years	More than 2 Years	Total
Total Outstanding Dues of Micro, Small and Medium Enterprises	899.41	-	-	899.41
Total Outstanding Dues Other than Micro, Small and Medium Enterprises	1,704.34	1,214.07	-	2,918.40

*For the period ended March 31, 2023*

Particulars	Outstanding for the following periods			
	Less than 1 Year	1-2 Years	More than 2 Years	Total
Total Outstanding Dues of Micro, Small and Medium Enterprises	1,623.61	0.13	54.50	1,678.23
Total Outstanding Dues Other than Micro, Small and Medium Enterprises	1,682.42	7.94	12.64	1,703.00

*For the period ended March 31, 2022*

Particulars	Outstanding for the following periods			
	Less than 1	1-2 Years	More than 2	Total





	Year		Years	
Total Outstanding Dues of Micro, Small and Medium Enterprises	846.38	22.71	31.41	900.50
Total Outstanding Dues Other than Micro, Small and Medium Enterprises	682.28	19.64	13.38	715.29

For the period ended March 31, 2021

Particulars	Outstanding for the following periods			
	Less than 1 Year	1-2 Years	More than 2 Years	Total
Total Outstanding Dues of Micro, Small and Medium Enterprises	819.54	33.06	-	852.60
Total Outstanding Dues Other than Micro, Small and Medium Enterprises	662.59	164.94	-	827.53

#### STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED

#### ANNEXURE – 14

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
TDS & TCS Payable	37.09	39.92	35.06	9.96
EPF & ESI Payable	0.52	0.21	0.21	0.45
GST Payable	-	-	0.39	0.64
Interest Payable	12.35	-	-	-
Salary Payable	55.66	27.44	25.46	14.18
Audit Fees Payable	2.50	6.75	-	-
Advance from Customers	63.97	88.64	-	-
Other Payable	7.14	2.17	1.25	2.87
<b>Total</b>	<b>179.24</b>	<b>165.13</b>	<b>62.37</b>	<b>28.10</b>

#### STATEMENT OF SHORT TERM PROVISION AS RESTATED

#### ANNEXURE – 15

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for Taxation	384.54	359.21	-	-
Provision for Gratuity	-	-	1.65	3.57
<b>Total</b>	<b>384.54</b>	<b>359.21</b>	<b>1.65</b>	<b>3.57</b>

#### STATEMENT OF FIXED ASSETS AS RESTATED

#### ANNEXURE – 16

(Rs. In lakhs)

Particulars	For the period ended	For the year ended March 31,	For the year ended March 31,	For the year ended March 31,
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	October 31, 2023	2023	2022	2021
<b>Tangible Assets</b>				
<b><i>I. Plant &amp; Machinery</i></b>				
<b>Gross Block - Opening Balance</b>	<b>776.62</b>	<b>523.89</b>	<b>508.83</b>	<b>317.51</b>
Add: Addition/Sale during the year	9.51	255.39	15.06	191.32
Less: Deletion/ Sale during the year	48.07	2.66	-	-
<b>Gross Block - Closing Balance</b>	<b>738.06</b>	<b>776.62</b>	<b>523.89</b>	<b>508.83</b>
<b>Accumulated Depreciation - Opening Balance</b>	<b>257.14</b>	<b>185.12</b>	<b>131.29</b>	<b>92.37</b>
Add: Depreciation during the year	43.27	72.02	53.83	38.92
Less: Accumulated Depreciation on Deletion	48.07	-	-	-
<b>Accumulated Depreciation - Closing Balance</b>	<b>252.34</b>	<b>257.14</b>	<b>185.12</b>	<b>131.29</b>
<b>Net Block of Plant &amp; Machinery</b>	<b>485.72</b>	<b>519.48</b>	<b>338.77</b>	<b>377.54</b>
<b><i>II. Furniture &amp; Fittings</i></b>				
<b>Gross Block - Opening Balance</b>	<b>3.50</b>	<b>3.50</b>	<b>2.42</b>	<b>2.33</b>
Add: Addition/Sale during the year	-	-	1.08	0.09
Less: Deletion/ Sale during the year	0.18	-	-	-
<b>Gross Block - Closing Balance</b>	<b>3.32</b>	<b>3.50</b>	<b>3.50</b>	<b>2.42</b>
<b>Accumulated Depreciation - Opening Balance</b>	<b>1.42</b>	<b>0.93</b>	<b>0.59</b>	<b>0.31</b>
Add: Depreciation during the year	0.28	0.49	0.33	0.28
Less: Accumulated Depreciation on Deletion	0.09	-	-	-
<b>Accumulated Depreciation - Closing Balance</b>	<b>1.60</b>	<b>1.42</b>	<b>0.93</b>	<b>0.59</b>
<b>Net Block of Furniture &amp; Fittings</b>	<b>1.72</b>	<b>2.08</b>	<b>2.57</b>	<b>1.83</b>
<b><i>III. Vehicles</i></b>				
<b>Gross Block - Opening Balance</b>	<b>1,716.30</b>	<b>1,394.35</b>	<b>1,078.84</b>	<b>344.96</b>
Add: Addition/Sale during the year	616.13	557.37	338.40	733.88
Less: Deletion/ Sale during the year	-	235.42	22.90	-
<b>Gross Block - Closing Balance</b>	<b>2,332.43</b>	<b>1,716.30</b>	<b>1,394.35</b>	<b>1,078.84</b>
<b>Accumulated Depreciation - Opening Balance</b>	<b>326.22</b>	<b>248.32</b>	<b>142.26</b>	<b>79.82</b>
Add: Depreciation during the year	106.89	155.75	111.84	62.43
Less: Accumulated Depreciation on Deletion	-	77.84	5.78	-
<b>Accumulated Depreciation - Closing Balance</b>	<b>433.11</b>	<b>326.22</b>	<b>248.32</b>	<b>142.26</b>
<b>Net Block of Vehicles</b>	<b>1,899.32</b>	<b>1,390.08</b>	<b>1,146.03</b>	<b>936.59</b>
<b><i>IV. Land</i></b>				
Gross Block - Opening Balance	1.57	1.57	1.57	-
Addition/Sale during the year	-	-	-	1.57
Gross Block - Closing Balance	1.57	1.57	1.57	1.57
<b>Accumulated Depreciation - Opening Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation during the year	-	-	-	-
Accumulated Depreciation - Closing Balance	-	-	-	-
<b>Net Block of Land</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>
<b><i>V. Computers, Printers &amp; Other Accessories</i></b>				
<b>Gross Block - Opening Balance</b>	<b>22.02</b>	<b>18.83</b>	<b>7.66</b>	<b>0.47</b>
Add: Addition/Sale during the year	2.40	3.50	11.17	7.18
Less: Deletion/ Sale during the year	7.04	0.31	-	-
<b>Gross Block - Closing Balance</b>	<b>17.39</b>	<b>22.02</b>	<b>18.83</b>	<b>7.66</b>
<b>Accumulated Depreciation - Opening Balance</b>	<b>11.22</b>	<b>4.82</b>	<b>0.43</b>	<b>0.02</b>



Add: Depreciation during the year	4.42	6.40	4.39	0.41
Less: Accumulated Depreciation on Deletion	7.05	-	-	-
<b>Accumulated Depreciation - Closing Balance</b>	<b>8.59</b>	<b>11.22</b>	<b>4.82</b>	<b>0.43</b>
<b>Net Block of Vehicles</b>	<b>8.79</b>	<b>10.80</b>	<b>14.01</b>	<b>7.23</b>
<b>Total Net Block of Tangible Assets (I + II + III + IV + V)</b>	<b>2,397.12</b>	<b>1,924.01</b>	<b>1,502.95</b>	<b>1,324.75</b>

**STATEMENT OF NON - CURRENT INVESTMENTS AS RESTATED**

**ANNEXURE – 17**

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Investment In Partnership Firm - AVP RMC (Registered Firm)	115.89	35.24	-	-
<b>Total</b>	<b>115.89</b>	<b>35.24</b>	<b>-</b>	<b>-</b>

**STATEMENT OF LONG TERM LOANS & ADVANCES AS RESTATED**

**ANNEXURE – 18**

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Retention Money (Guarantee Fund)	-	-	3.86	3.86
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.86</b>	<b>3.86</b>

**STATEMENT OF OTHER NON-CURRENT ASSETS AS RESTATED**

**ANNEXURE – 19**

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Deposits - Earnest Money deposit (EMD)	620.75	477.79	443.94	221.09
Other Deposits	24.20	85.97	57.45	32.60
<b>Total</b>	<b>644.95</b>	<b>563.76</b>	<b>501.40</b>	<b>253.69</b>

**STATEMENT OF INVENTORIES AS RESTATED**

**ANNEXURE – 20**

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Materials	966.44	730.28	100.87	63.00
Work-In-Progress	6,523.01	5,352.98	2,324.00	1,527.96
<b>Total</b>	<b>7,489.45</b>	<b>6,083.26</b>	<b>2,424.87</b>	<b>1,590.96</b>



# STATEMENT OF TRADE RECEIVABLES AS RESTATED

## ANNEXURE – 21

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Undisputed Trade receivables – considered good	2,114.05	952.85	1,446.54	1,358.57
<b>Total</b>	<b>2,114.05</b>	<b>952.85</b>	<b>1,446.54</b>	<b>1,358.57</b>

**Note: Trade Receivable Ageing schedule**

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Less Than 6 Months	539.45	553.83	1,339.72	1,338.09
6 Months - 1 Years	297.48	158.59	106.82	-
1 - 2 Years *	915.01	132.03	-	20.48
2 - 3 Years *	362.10	108.41	-	-
<b>Total</b>	<b>2,114.05</b>	<b>952.85</b>	<b>1,446.54</b>	<b>1,358.57</b>

\* Note :

In respect of contractual agreements with various government authorities, the company shall be responsible for any defects arising post a certain period after completion of works, which vary from contract to contract and in usual terms it is for a period 3 years to 5 years from completion of work. This period is called defect liability period and untill this period elapses a portion for about 5% of the contract value is withheld. This withheld amount gets accumulated and remains as outstanding receivables for more than a year.

# STATEMENT OF CASH AND CASH EQUIVALENTS AS RESTATED

## ANNEXURE – 22

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash In Hand	36.23	344.42	207.70	52.49
Balance With Bank	52.36	313.23	101.32	281.26
<b>Total</b>	<b>88.60</b>	<b>657.65</b>	<b>309.02</b>	<b>333.74</b>

# STATEMENT OF SHORT TERM LOANS AND ADVANCES AS RESTATED

## ANNEXURE – 23

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021



Salary Advance	6.44	0.26	-	5.32
Other Advances given to Suppliers & contractors	1,205.99	1,343.03		
<b>Total</b>	<b>1,212.43</b>	<b>1,343.29</b>	<b>-</b>	<b>5.32</b>

#### STATEMENT OF OTHER CURRENT ASSETS AS RESTATED

#### ANNEXURE – 24

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Input Tax Credit & Cash Ledger	14.10	84.95	-	193.92
TDS Receivables	137.68	254.13	9.60	4.82
Pre-paid Expenses	56.23	20.52	-	-
Rental Advances/ Deposits	16.98	13.71	-	-
Other Receivables	-	-	41.42	56.01
<b>Total</b>	<b>224.99</b>	<b>373.31</b>	<b>51.02</b>	<b>254.75</b>

#### STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED

#### ANNEXURE – 25

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sales &amp; Services</b>				
<b>Sale from Service Activities</b>				
- Domestic Sales	6,190.41	9,778.68	6,323.20	4,536.43
<b>Total Sale from Service Activities</b>	<b>6,190.41</b>	<b>9,778.68</b>	<b>6,323.20</b>	<b>4,536.43</b>
<b>Sale from Trading Activities</b>				
- Domestic Sales	728.27	854.88	65.65	1,263.32
<b>Total Sale from Trading Activities</b>	<b>728.27</b>	<b>854.88</b>	<b>65.65</b>	<b>1,263.32</b>
<b>Total Revenue from Operations</b>	<b>6,918.69</b>	<b>10,633.56</b>	<b>6,388.85</b>	<b>5,799.76</b>

#### STATEMENT OF REVENUE FROM OTHER INCOME AS RESTATED

#### ANNEXURE – 26

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	0.89	21.89	13.21	11.82
Discount Received	-	-	0.44	3.46
Insurance Refund	-	6.70	-	-
Share of Profit from Partnership Firm	80.65	30.24	-	-
Other Income	4.90	23.01	-	2.77
<b>Total</b>	<b>86.44</b>	<b>81.84</b>	<b>13.65</b>	<b>18.05</b>

#### STATEMENT OF COST OF CONSUMPTION AS RESTATED

#### ANNEXURE – 27



(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Opening Stock of Raw Material</b>	730.28	100.87	63.00	24.76
Opening Stock of Work in Progress	5,352.98	2,324.00	1,527.96	1,249.85
Add: Purchase during the Years	5,065.02	8,399.54	3,690.93	4,115.01
Less: Closing Stock of Work in Progress	(6,523.01)	(5,352.98)	(2,324.00)	(1,527.96)
Less: Closing Stock	(966.44)	(730.28)	(100.87)	(63.00)
<b>Cost of Consumption</b>	<b>3,658.84</b>	<b>4,741.14</b>	<b>2,857.02</b>	<b>3,798.65</b>

STATEMENT OF OTHER DIRECT EXPENSES AS RESTATED

ANNEXURE – 28

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Direct Manufacturing Expenses</b>				
Power & Fuel Expenses	417.33	1,016.52	466.07	317.63
Wages & Sub Contract Payments	488.68	1,163.81	1,139.61	175.57
Machinery Rent	193.88	392.45	127.28	129.51
Transportation Charges	93.02	507.22	225.91	96.82
Water Charges	8.71	12.59	8.12	4.97
Plant & Machinery Repairs	2.04	5.06	15.15	12.90
Site Maintenance	15.10	39.22	11.24	0.18
Vehicle Maintenance & Insurance	172.16	183.88	125.16	89.08
Security Charges	9.37	21.04	9.36	4.10
<b>Total of Other Direct Expenses</b>	<b>1,400.28</b>	<b>3,341.80</b>	<b>2,127.91</b>	<b>830.77</b>

STATEMENT OF EMPLOYEES BENEFIT EXPENSES AS RESTATED

ANNEXURE – 29

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages & Bonus	206.24	202.30	161.76	489.41
Provision for Gratuity	2.05	3.94	1.65	3.57
Staff Welfare Expenses	43.69	90.56	88.42	10.66
<b>Total</b>	<b>251.98</b>	<b>296.80</b>	<b>251.83</b>	<b>503.63</b>

STATEMENT OF OTHER EXPENSES AS RESTATED

ANNEXURE – 30

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021



Office Rent	19.19	33.44	9.76	1.50
Audit Fee	2.50	7.50	3.91	1.08
Directors Remuneration	46.90	50.00	21.60	22.63
Printing & Stationery	1.93	9.90	6.90	3.61
Professional & Consulting fee	7.50	5.08	3.66	3.38
Travelling & Conveyance Expense	5.66	25.08	20.07	-
Telephone & Internet Expenses	0.52	1.08	1.15	1.09
Advertisement Expenses	2.16	2.53	2.48	0.25
Repairs & Maintenance	6.45	10.56	9.69	14.35
Other Expenses	30.61	80.25	48.01	23.35
<b>Total Other Expenses</b>	<b>123.42</b>	<b>225.41</b>	<b>127.23</b>	<b>71.25</b>

#### STATEMENT OF DEPRECIATION & AMORTIZATION EXPENSES AS RESTATED ANNEXURE – 31

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Depreciation on Tangible Assets	154.86	234.66	170.39	102.04
<b>Total</b>	<b>154.86</b>	<b>234.66</b>	<b>170.39</b>	<b>102.04</b>

#### STATEMENT OF FINANCIAL CHARGES AS RESTATED

ANNEXURE – 32

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses	303.97	344.02	293.73	173.04
Bank Charges	15.08	27.75	15.32	22.36
<b>Total</b>	<b>319.05</b>	<b>371.77</b>	<b>309.05</b>	<b>195.40</b>

#### STATEMENT OF SUMMARY OF ACCOUNTING RATIOS AS RESTATED

ANNEXURE – 33

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Total Revenue (A)</b>	<b>7,005.13</b>	<b>10,715.40</b>	<b>6,402.50</b>	<b>5,817.80</b>
<b>Net Profit as Restated (B)</b>	<b>834.27</b>	<b>1,152.63</b>	<b>399.43</b>	<b>226.30</b>
Add: Depreciation	154.86	234.66	170.39	102.04
Add: Interest on Loan	303.97	344.02	293.73	173.04
Add: Income Tax	262.43	351.18	159.64	89.77
<b>EBITDA (C)</b>	<b>1,555.54</b>	<b>2,082.50</b>	<b>1,023.18</b>	<b>591.14</b>
<b>EBITDA Margin (in %) (C/A)</b>	<b>22.21%</b>	<b>19.43%</b>	<b>15.98%</b>	<b>10.16%</b>
<b>Net Worth as Restated (D)</b>	<b>3,330.28</b>	<b>2,496.14</b>	<b>1,343.50</b>	<b>684.07</b>
<b>Return on Net worth (in %) as Restated (B/D)</b>	<b>25.05%</b>	<b>46.18%</b>	<b>29.73%</b>	<b>33.08%</b>
<b>Equity Share at the end of year/period (in Nos.) (E)</b>	<b>1,80,00,000</b>	<b>48,00,000</b>	<b>48,00,000</b>	<b>10,00,000</b>



Weighted No. of Equity Shares ( after Bonus Issue) (G)	1,80,00,000	1,80,00,000	1,80,00,000	1,80,00,000
Earnings per Equity Share as Restated (B/E) - Basic & Diluted (Pre Bonus )	4.63	24.01	8.32	22.63
Earnings per Equity Share (B/G) - Basic & Diluted (Post Bonus after restated period)	4.63	6.40	2.22	1.26
Net Asset Value per Equity share as Restated (D/E) (Pre-Bonus)	18.50	52.00	27.99	68.41
Net Asset Value per Equity share as Restated (D/F) (Post Bonus after restated period)	18.50	13.87	7.46	3.80

**Note:-**

EBITDA Margin = EBITDA/Total Revenues

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.  
Companies (Accounting Standards) Rules 2006, as amended.

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net Worth = Equity Share Capital + Reserve and Surplus (including P&L surplus) -

Revaluation Reserve, If any Net asset value/Book value per share (₹) = Net worth / No. of equity shares outstanding at the end of FY

The Company does not have any revaluation reserves or extra-ordinary items.

The figures disclosed above are based on the Restated Financial Statements of the Company

**STATEMENT OF TAX SHELTER, AS RESTATED**

**ANNEXURE – 34**

**(Rs. In lakhs)**

Particulars	As At			
	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Profit Before Tax as per books of accounts (A)</b>	<b>1,096.70</b>	<b>1,503.81</b>	<b>559.07</b>	<b>316.06</b>
-- Normal Tax rate	25.17%	25.17%	28.60%	28.60%
-- Minimum Alternative Tax rate				
<b>Permanent differences</b>				
Employee Gratuity	2.05	3.94	1.65	3.57
<b>Total (B)</b>	<b>2.05</b>	<b>3.94</b>	<b>1.65</b>	<b>3.57</b>
<b>Timing Differences</b>				
Depreciation as per Books of Accounts	2,397.12	1,924.01	1,502.95	1,324.75
Depreciation as per Income Tax	2,188.89	1,766.83	1,339.40	1,214.83
Difference between tax depreciation and book depreciation	208.22	157.18	163.55	109.92
Other adjustments	-	-	-	-
Foreign income included in the statement	-	-	-	-
<b>Total (C)</b>	<b>208.22</b>	<b>157.18</b>	<b>163.55</b>	<b>109.92</b>
<b>Net Adjustments (D = B+C)</b>	<b>(206.17)</b>	<b>(153.25)</b>	<b>(161.90)</b>	<b>(106.36)</b>



<b>Total Income (E = A+D)</b>	<b>890.53</b>	<b>1,350.57</b>	<b>397.17</b>	<b>209.71</b>
Brought forward losses set off (Depreciation)	-	-	-	-
Tax effect on the above (F)	-	-	-	-
<b>Taxable Income/ (Loss) for the year/period (E+F)</b>	<b>890.53</b>	<b>1,350.57</b>	<b>397.17</b>	<b>209.71</b>
Tax Payable for the year	220.00	340.00	110.00	60.00
<b>Tax expense recognised</b>	<b>220.00</b>	<b>340.00</b>	<b>110.00</b>	<b>60.00</b>

## STATEMENT OF RELATED PARTIES & TRANSACTIONS

## ANNEXURE –35

The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

<b>Name of the key managerial personnel/Entity</b>	<b>Relationship</b>
Dhandayuthapani Prasanna	Director/KMP
Dhandayuthapani Vasanth	Director/KMP
Bollam Venkateshwarlu	Director/KMP
AVP RMC	Subsidiary entity
AVP Associates	Entities in which KMP/ Relatives of KMP can exercise significant influence
AVPS RR Readymix Concretes LLP *	

### Transactions with Related Parties:

<b>Particulars</b>	<b>For the period ended October 31, 2023</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>Remuneration paid to Directors</b>				
Dhandayuthapani Prasanna	21.50	25.00	10.80	10.80
Bollam Venkateshwarlu	21.50	25.00	10.80	10.80
Dhandayuthapani Vasanth	2.90	-	-	-
<b>Total</b>	<b>45.90</b>	<b>50.00</b>	<b>21.60</b>	<b>21.60</b>
<b>Sale with related parties</b>				
AVP RMC	60.80	175.40	157.20	56.31
<b>Total</b>	<b>60.80</b>	<b>175.40</b>	<b>157.20</b>	<b>56.31</b>
<b>Purchase</b>				
AVP RMC	367.95	1,005.58	901.39	621.98
<b>Total</b>	<b>367.95</b>	<b>1,005.58</b>	<b>901.39</b>	<b>621.98</b>
<b>Outstanding as on 31st Payable to</b>				
AVP RMC	267.07	327.59	83.51	123.81
<b>Total</b>	<b>267.07</b>	<b>327.59</b>	<b>83.51</b>	<b>123.81</b>
<b>Receivable From</b>				
AVPS RR Readymix Concretes LLP *	-	-	0.43	0.43
AVP Associates	23.75	23.75	23.75	20.20
<b>Total</b>	<b>23.75</b>	<b>23.75</b>	<b>24.18</b>	<b>20.63</b>
<b>Loans from Director</b>				
Dhandayuthapani Prasanna	1,575.27	1,400.48	365.84	180.60
Bollam Venkateshwarlu	127.62	124.73	10.75	-

Dhandayuthapani Vasanth	2.03	-	-	-
<b>Total</b>	<b>1,704.92</b>	<b>1,525.21</b>	<b>376.59</b>	<b>180.60</b>

**\* Note:**

AVP SRR Readymix Concretes LLP has applied for strike off on 28-12-2021 vide SRN:M25285347 and the present status as per MCA is under process of striking off.

**STATEMENT OF PROVISION FOR GRATUITY AS RESTATED**

**ANNEXURE-36**

**Gratuity** - The Present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

**Interest cost:** It is the increase in the Plan liability over the accounting period resulting from the operation of the actuarial assumption of the interest rate.

**Current Service Cost:** is the discounted present value of the benefits from the Plan's benefit formula attributable to the services rendered by employees during the accounting period. Actuarial Gain or Loss: occurs when the experience of the Plan differs from that anticipated from the actuarial assumptions. It could also occur due to changes made in the actuarial assumptions.

**(i) Reconciliation of Opening and Closing Balance of Gratuity Obligations:**

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Liability as at the Beginning of the Period	9.15	5.22	3.57	-
Net Expenses in P/L A/c	2.05	3.94	1.65	3.57
Benefits Paid	-	-	-	-
Net Liability as at the End of the Period	11.20	9.15	5.22	3.57
<b>Present Value of Gratuity Obligation (Closing)</b>	<b>11.20</b>	<b>9.15</b>	<b>5.22</b>	<b>3.57</b>

**(ii) Expenses recognised in Statement of Profit and Loss during the year:**

*(Rs. In lakhs)*

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Cost	0.40	0.39	0.26	-
Current Service Cost	2.20	3.51	1.56	3.57
Past Service Cost	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost (Credit)	-	-	-	-
Settlement Cost (Credit)	-	-	-	-
Net Actuarial (gain) / loss	(0.56)	0.03	(0.16)	-
Net Expenses to be recognized in P&L	2.05	3.94	1.65	3.57
<b>Total</b>	<b>2.05</b>	<b>3.94</b>	<b>1.65</b>	<b>3.57</b>



(iii) **Changes in Benefit Obligations:**

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Defined benefit Obligation	9.15	5.22	3.57	-
Current Service Cost	2.20	3.51	1.56	3.57
Interest Cost for the Year	0.40	0.39	0.26	-
Actuarial losses (gains)	(0.56)	0.03	(0.16)	-
Benefits Paid	-	-	-	-
Closing Defined Benefit Obligation	11.20	9.15	5.22	3.57
<b>Total</b>	<b>11.20</b>	<b>9.15</b>	<b>5.22</b>	<b>3.57</b>

(iv) **Actuarial assumptions:**

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Rate of Discounting	7.64%	7.64%	7.64%	7.64%
Salary Escalation	7%	7%	7%	7%
Attrition Rate	10%	10%	10%	10%
Mortality rate during employment Indian	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**STATEMENT OF CONTINGENT LIABILITY AS RESTATED**

**ANNEXURE-37**

**A. Contingent Liabilities**

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Claims against the Company not Acknowledged as Debt	NIL	NIL	NIL	NIL
Other money for which the company may be contingently liable*	NIL	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**\* Note :**

In the construction business, the contractor shall be responsible to make good at their own cost for any defects arise out of faulty workmanship or quality related issues in delivering the accepted quality which may develop post a certain

period after completion of works. This period is called defect liability period, and it may vary from contract to contract and in usual terms it is for a period 3 years to 5 years from completion of work. During this defect liability period there exists a contingency on part of the company to incur any additional cost that may arise in making good for any defects or issues that may arise. This contingent liability is inherent in nature for this business and cannot be quantified at inception or as the work progresses.

## B. Commitments

(Rs. In lakhs)

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil	Nil	Nil
Uncalled liability on shares and other investments partly paid	Nil	Nil	Nil	Nil
Other commitments	Nil	Nil	Nil	Nil
<b>Total</b>	Nil	Nil	Nil	Nil

## ADDITIONAL DISCLOSURES WITH RESPECT TO AMENDMENTS TO SCHEDULE III AS RESTATED ANNEXURE-38

- (i) The Company have no immovable property whose title deeds are not held in the name of the company.
- (ii) The Company has not revalued its Property, Plant and Equipment during the reporting years.
- (iii) Loans and Advances granted to Promoters, Directors, KMP and Related Parties:  
There are no Loans and Advances in the nature of loans that are granted to promoters, directors, KMP's and the related parties either severally or jointly with any other person, that are repayable on demand.
- (iv) There are no proceedings initiated or pending against the Parent for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (v) The Company has made borrowing from the banks or financial institutions on the basis of security of current assets, and the statements of current assets as required to be filed by the Company with any the banks or financial institutions. Are done periodically.
- (vi) The Company is not declared as wilful defaulter by any bank or financial institution or other lender.
- (vii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013.
- (viii) The Company do not have any charge to be registered with Registrar of Companies beyond the statutory period.
- (ix) The Company has no subsidiaries with one layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (x) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (xi) Utilisation of Borrowed funds and share premium:

A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of



the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Company has 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:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## (xii) Ratios

### Statement of Other Accounting Ratios, as per Companies Act, 2013

Particulars	For the period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Current Ratio</b> Current Assets / Current liabilities	1.40	1.38	1.49	1.34
<b>Debt-Equity Ratio</b> Total Outside Liabilities / Total Shareholder's Equity	1.96	2.20	2.36	3.95
<b>Return on Equity Ratio</b> (Net Profit After Taxes - Preference Dividend if any) / Net Worth	0.25	0.46	0.30	0.33
<b>Inventories Turnover Ratio</b> Average Inventories / Average Trade Receivables	1.02	2.50	3.18	4.05
<b>Trade Receivables Turnover Ratio</b> Credit Sales / Average Trade Receivables	4.51	8.86	4.56	7.78
<b>Net Capital Turnover Ratio</b> Sales / Net Assets	2.37	5.54	6.30	11.25
<b>Net Profit (after tax) Ratio</b> Net Profit (after tax) / Total Sales * 100	12.06%	10.84%	6.25%	3.90%
<b>Return on Capital Employed</b> (EBIT / Capital Employed) * 100	22.42%	36.70%	25.57%	20.59%

## Variance

RATIOS	As at March 31, 2023		As at March 31, 2022	
	Variance	Reason for Variance	Variance	Reason for Variance
<b>Current Ratio</b> Current Assets / Current liabilities	(7.28%)	Increase in Current Liability	10.92%	Increase in Current Assets
<b>Debt-Equity Ratio</b> Total Outside Liabilities / Total Shareholder's Equity	(6.79%)	Increase in Equity	(40.25%)	Increase in Equity

<b>Return on Equity Ratio</b> (Net Profit After Taxes - Preference Dividend if any) / Net Worth	55.32%	Increase in Turnover	(10.13%)	Increase in Equity
<b>Inventories Turnover Ratio</b> Average Inventories/ Average Trade Receivables	(21.44%)	Increase in Inventory	(21.40%)	Increase in Inventory
<b>Trade Receivables Turnover Ratio</b> Credit Sales / Average Trade Receivables	94.58%	Increase in Turnover	(41.45%)	Increase in Turnover
<b>Net Capital Turnover Ratio</b> Sales / Net Assets	(12.11%)	Increase in Equity	(43.97%)	Increase in Equity
<b>Net Profit (after tax) Ratio</b> Net Profit (after tax)/ Total Sales * 100	73.38%	Increase in Turnover	60.23%	Increase in Turnover
<b>Return on Capital Employed</b> (EBIT / Capital Employed) * 100	43.53%	Increase in Turnover	24.17%	Increase in Turnover

#### STATEMENT OF CAPITALIZATION, AS RESTATED

#### ANNEXURE-39

Particulars	Pre-Issue	Post Issue*
	October 31, 2023	
<b>Debt :</b>		
Short Term Debt	2,674.29	[•]
Long Term Debt	3,840.52	
<b>Total Debt</b>	<b>6,514.81</b>	
<b>Shareholders Funds</b>		
Equity Share Capital	1,800.00	[•]
Reserves and Surplus	1,530.28	[•]
Less: Misc. Expenditure	-	-
<b>Total Shareholders' Funds</b>	<b>3,330.28</b>	[•]
<b>Long Term Debt/ Shareholders' Funds</b>	<b>1.15</b>	[•]
<b>Total Debt / Shareholders Fund</b>	<b>1.96</b>	[•]

\* Assuming Full Allotment of IPO shares

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## **OTHER FINANCIAL INFORMATION**

For Details on other financial information please refer to “Ratios” on page under the chapter titled Financial Statements as Restated beginning on page 190 of this Draft Red Herring Prospectus.

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## **MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled “Risk Factors” beginning on page 26, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.*

The 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 auditors dated December 22, 2023 which is included in this Draft Red Herring Prospectus under the section titled “*Restated Financial Statements*” beginning on page 190 of this Draft Red Herring Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under “Risk Factors” and “Forward Looking Statements” beginning on pages 26 and 16 respectively, and elsewhere in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information depend entirely on such potential investor's level of familiarity with Indian accounting practices. Please also refer to section titled “*Presentation of Financial, Industry and Market data*” beginning on page 15 of this Draft Red Herring Prospectus.

### **BUSINESS OVERVIEW**

Our Company was incorporated as AVP Constructions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated September 09, 2009 in Chennai. Subsequently, the name of our Company was changed to ‘AVP Infracon Private Limited’ and a fresh certificate of incorporation consequent upon change of the name was issued by the Registrar of Companies, Chennai dated October 06, 2023. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on October 20, 2023 and the name of our Company was changed from “AVP Infracon Private Limited” to “AVP Infracon Limited” vide a fresh Certificate of Incorporation dated November 17, 2023 having CIN U45400TN2009PLC072861 issued by the Registrar of Companies, Chennai.

We are a dynamic private sector firm involved in the construction of road projects based on Bill of Quantities (BOQ) and Engineering, Procurement, and Construction (EPC) methods. Our Company is engaged in the business of construction and transacts the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, level, decorate, fabricate, reconstruct, renovate, remodel,



rebuild all types of infrastructure developmental works, constructions works such as technically complex and high value projects like Express ways, National Highways, Flyovers, Bridges and Viaducts, Irrigation Projects, Urban Development - Civic amenities, Hospitals, warehouses, hotels and other Commercial and Residential Projects.

We bid for construction of Roads, Bridges, Irrigation and Canal Projects, Flyovers, Industrial Areas, majorly based in the state of Tamil Nadu. We have in-house capabilities to deliver a project from conceptualization to completion with fast turnaround time from acquisition to launch to completion, which focuses on de-risking and improving return on investment.

## **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR AND STUB PERIOD**

As per mutual discussion between the Board of the Company and BRLM, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- The Board of Directors of our Company has allotted 1,32,00,000 equity shares as Bonus Issue in the ratio of 11:4 in the board meeting dated November 02, 2023.
- The Board of Directors of our company appointed Mr. B Venkateshwarlu as the Chief Financial Officer of the Company, in the Board Meeting held on November 17, 2023.
- The shareholders of our Company appointed Mr. Rajan Ethiraja as Independent Directors in the Extra-Ordinary General Meeting held on December 15, 2023.
- The Board of Directors of our company in the Board Meeting held on December 11, 2023, appointed Ms. Priyanka Singh as Company Secretary and Compliance Officer of the Company w.e.f. December 18, 2023.
- The Board of Directors of our Company has approved and passed resolution on December 11, 2023 to authorize the Board of Directors to raise the funds by way of Initial Public Offering.

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 26 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;
- Significant developments in India’s economic and fiscal policies;
- Failure to adapt to the changing needs of industry and in particular government policies and regulations may adversely affect our business and financial condition;
- Volatility in the Indian and global capital market.

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## DISCUSSION ON STANDALONE RESULT OF OPERATION

Amount in ₹ lakhs

Particulars		For the period ended on							
		31-10-2023	(%)*	31-03-2023	(%)*	31-03-2022	(%)*	31-03-2021	(%)*
<b>1</b>	<b>Total Revenue:</b>								
	Revenue from Operations	6,918.69	98.77%	10,633.56	99.24%	6,388.85	99.79%	5,799.76	99.69%
	Other income	86.44	1.23%	81.84	0.76%	13.65	0.21%	18.05	0.31%
	<b>Total Revenue</b>	<b>7,005.13</b>	<b>100.00%</b>	<b>10,715.40</b>	<b>100.00%</b>	<b>6,402.50</b>	<b>100.00%</b>	<b>5,817.80</b>	<b>100.00%</b>
<b>2</b>	<b>Expenses:</b>								
(a)	Cost of Material Consumed	3,658.84	52.23%	4,741.14	44.25%	2,857.02	44.62%	3,798.65	65.29%
(b)	Other Direct Expense	1,400.28	19.99%	3,341.80	31.19%	2,127.91	33.24%	830.77	14.28%
(c)	Employee Benefit Expenses	251.98	3.60%	296.80	2.77%	251.83	3.93%	503.63	8.66%
(d)	Financial Charges	319.05	4.55%	371.77	3.47%	309.05	4.83%	195.40	3.36%
(e)	Depreciation & Amortisation Expenses	154.86	2.21%	234.66	2.19%	170.39	2.66%	102.04	1.75%
(f)	Other Expenses	123.42	1.76%	225.41	2.10%	127.23	1.99%	71.25	1.22%
	<b>Total Expenses</b>	<b>5,908.43</b>	<b>84.34%</b>	<b>9,211.59</b>	<b>85.97%</b>	<b>5,843.43</b>	<b>91.27%</b>	<b>5,501.74</b>	<b>94.57%</b>
<b>3</b>	<b>Profit/(Loss) Before Tax</b>	<b>1,096.70</b>	<b>15.66%</b>	<b>1,503.81</b>	<b>14.03%</b>	<b>559.07</b>	<b>8.73%</b>	<b>316.06</b>	<b>5.43%</b>
	Provision for Taxation	250.10	3.57%	359.21	3.35%	144.77	2.26%	79.67	1.37%
	Provision for Deferred Tax	12.33	0.18%	-8.03	-0.07%	14.87	0.23%	10.10	0.17%
<b>4</b>	<b>Total Tax Expenses</b>	<b>262.43</b>	<b>3.75%</b>	<b>351.18</b>	<b>3.28%</b>	<b>159.64</b>	<b>2.49%</b>	<b>89.77</b>	<b>1.54%</b>
<b>5</b>	<b>Profit After Tax</b>	<b>834.27</b>	<b>11.91%</b>	<b>1,152.63</b>	<b>10.76%</b>	<b>399.43</b>	<b>6.24%</b>	<b>226.30</b>	<b>3.89%</b>
<b>6</b>	<b>Earnings per Equity Share of Rs. 10/- each*</b>								
	-Basic	4.63		6.40		2.22		1.26	
	-Diluted	4.63		6.40		2.22		1.26	

\* % of Total Income; \*\*October figures are not annualised

## DISCUSSION ON CONSOLIDATED RESULT OF OPERATION

Amount in ₹ lakhs

Particulars		For the period ended on			
		31-10-2023	(%)*	31-03-2023	(%)*
<b>1</b>	<b>Total Revenue:</b>				
	Revenue from Operations	7,405.33	99.91%	11,498.08	99.55%
	Other income	6.57	0.09%	52.00	0.45%
	<b>Total Revenue</b>	<b>7,411.90</b>	<b>100.00%</b>	<b>11,550.09</b>	<b>100.00%</b>
<b>2</b>	<b>Expenses:</b>				
(a)	Cost of Material Consumed	3,545.82	47.84%	4,696.28	40.66%
(b)	Other Direct Expense	1,626.56	21.95%	3,775.54	32.69%
(c)	Employee Benefit Expenses	346.86	4.68%	461.16	3.99%
(d)	Financial Charges	357.17	4.82%	438.82	3.80%
(e)	Depreciation & Amortisation Expenses	188.90	2.55%	290.34	2.51%
(f)	Other Expenses	151.10	2.04%	278.61	2.41%
	<b>Total Expenses</b>	<b>6,216.41</b>	<b>83.87%</b>	<b>9,940.74</b>	<b>86.07%</b>



3	<b>Profit/(Loss) Before Tax</b>	<b>1,195.49</b>	<b>16.13%</b>	<b>1,609.35</b>	<b>13.93%</b>
	Provision for Taxation	299.56	4.04%	374.95	3.25%
	Provision for Deferred Tax	28.81	0.39%	19.79	0.17%
4	<b>Total Tax Expenses</b>	<b>328.37</b>	<b>4.43%</b>	<b>394.74</b>	<b>3.42%</b>
5	<b>Profit After Tax but Before Extra ordinary Items</b>	<b>867.12</b>	<b>11.70%</b>	<b>1,214.61</b>	<b>10.52%</b>
7	<b>Share of Minority Interest</b>	<b>(11.34)</b>	<b>-0.15%</b>	<b>(9.31)</b>	<b>-0.08%</b>
8	<b>Net Profit transferred to Balance Sheet</b>	<b>855.78</b>	<b>11.55%</b>	<b>1,205.31</b>	<b>10.44%</b>
9	<b>Earnings per Equity Share of Rs. 10/- each**</b>				
	-Basic	4.75		6.70	
	-Diluted	4.75		6.70	

\*% of Total Income; \*\*October figures are not annualised

### **Items for Standalone and Consolidated Restated Financial Statements**

#### ***Our Significant Accounting Policies***

For Significant accounting policies please refer “ Significant Accounting Policies”, under Chapter titled Financial Statements beginning on page 190 respectively of the Draft Red Herring Prospectus.

#### ***Overview of Revenue & Expenditure***

The following discussion on results of operations should be read in conjunction with the Restated Standalone Financial Statements for the period ended October 31, 2023 and for Fiscal 2023, 2022 & 2021 and the Consolidated Financial Statements for the period ending on October 31, 2023 and Financial Year 2022-23. Our revenue and expenses are reported in the following manner:

#### **Revenues**

- **Revenue of operations**  
Our Company’s revenue is primarily generated from Sales from Service Activities and Sale from Trading Activities.
- **Other Income**  
Other Income includes Share of Profit from Partnership Firm, Interest Income and Others.

#### **Expenditure**

Our total expenditure primarily consists of Cost of Materials Consumed, Other Direct Expenses, Employee benefit expenses, Finance Costs, Depreciation, and Other Expenses.

- **Cost of materials consumed**  
Cost includes raw materials at Opening Stock of Raw Materials, Opening Stock of Work in Progress, Purchase during the year, Closing Stock of Raw Materials, Closing Stock of Work in Progress and Mutual Owings.



- **Other direct expenses**

Other direct expenses primarily includes Fuel Expenses, Wages & Sub Contract Payments, Machinery Rent, Transportation Charges, Vehicle Maintenance & Insurance, Site Maintenance, Electricity Charges and others charges.

- **Employment Benefit Expenses**

Our employee benefits expense primarily comprises Salaries, Wages and Bonus, Provision for Gratuity, Staff Welfare Expenses.

- **Finance Charges**

Finance Cost consists of interest expenses and Bank Charges.

- **Depreciation and Amortization Expenses**

Depreciation and Amortization majorly includes depreciation on tangible assets.

- **Other Expenses**

Other Expenses majorly consists of Directors Remuneration, Rates & Taxes, Office Rent, Professional and Consulting Fee, Repair & Maintenance, Travelling & Conveyance Expense, and Other Expense.

## **STUB PERIOD ENDED OCTOBER 31, 2023 (BASED ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS)**

### **Revenues**

- **Total Income**

Total Income on consolidated basis for the period ended October 31, 2023, stood at ₹ 7,411.90 Lakhs.

- **Revenue of operations**

Revenue from operation on consolidated basis for the period ended October 31, 2023, stood at ₹ 7,405.33 Lakhs which is 99.91% of the Total Income.

- **Other Income**

Other Income on consolidated basis for the period ended October 31, 2023, stood at ₹ 6.57 Lakhs which is 0.09% of the Total Income.

### **Expenditure**

- **Total Expenses**

Our Total Expenses on consolidated basis for the period ended October 31, 2023, stood at ₹ 6,216.41 Lakhs which is 83.87% of the Total Income.

- **Cost of materials consumed**

Cost of materials consumed on consolidated basis for the period ended October 31, 2023, stood at ₹ 3,545.82 Lakhs which is 47.84% of the Total Income.

- **Other direct expenses**



Other manufacturing expenses on consolidated basis for the period ended October 31, 2023, stood at ₹ 1,626.56 Lakhs which is 21.95% of the Total Income.

- **Employment Benefit Expenses**

Employment Benefit Expenses on consolidated basis for the period ended October 31, 2023, stood at ₹ 346.86 Lakhs which is 4.68% of the Total Income.

- **Finance Charges**

Finance Charges on consolidated basis for the period ended October 31, 2023, stood at ₹ 357.17 Lakhs which is 4.82% of the Total Income.

- **Depreciation and Amortization Expenses**

Depreciation and Amortization Expenses on consolidated basis for the period ended October 31, 2023, stood at ₹ 188.90 Lakhs which is 2.55% of the Total Income.

- **Other Expenses**

Other Expenses on consolidated basis for the period ended October 31, 2023, stood at ₹ 151.10 Lakhs which is 2.04% of the Total Income.

- **Restated Profit before Tax**

Restated profit before tax on consolidated basis for the period ended October 31, 2023, stood at ₹ 1,195.49 Lakhs which is 16.13% of the Total Income.

- **Tax Expenses**

Tax Expense on consolidated basis for the period ended October 31, 2023, stood at ₹ 328.37 Lakhs out of which Provision for Taxation being ₹ 299.56 Lakhs and Provision for Deferred Tax being ₹ 28.81 Lakhs which is 4.04% and 0.39% respectively of the Total Income.

- **Restated Profit after Tax**

Restated profit after tax on consolidated basis for the period ended October 31, 2023, stood at ₹ 855.78 Lakhs which is 11.55% of the Total Income.

## **PERIOD ENDED MARCH 31, 2023 (BASED ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS)**

### **Revenues**

- **Total Income**

Total Income on consolidated basis for the period ended March 31, 2023, stood at ₹ 11,550.09 Lakhs.

- **Revenue of operations**

Revenue from operation on consolidated basis for the period ended March 31, 2023, stood at ₹ 11,498.08 Lakhs which is 99.55% of the Total Income.

- **Other Income**

Other Income on consolidated basis for the period ended March 31, 2023, stood at ₹ 52.00 Lakhs which is 0.45% of the Total Income.



## Expenditure

- **Total Expenses**

Our Total Expenses on consolidated basis for the period ended March 31, 2023, stood at ₹ 9,940.74 Lakhs which is 86.07% of the Total Income.

- **Cost of materials consumed**

Cost of materials consumed on consolidated basis for the period ended March 31, 2023, stood at ₹ 4,696.28 Lakhs which is 40.66% of the Total Income.

- **Other direct expenses**

Other direct expenses on consolidated basis for the period ended March 31, 2023, stood at ₹ 3,775.54 Lakhs which is 32.69% of the Total Income.

- **Employment Benefit Expenses**

Employment Benefit Expenses on consolidated basis for the period ended March 31, 2023, stood at ₹ 461.15 Lakhs which is 3.99% of the Total Income.

- **Finance Charges**

Finance Charges on consolidated basis for the period ended March 31, 2023, stood at ₹ 438.82 Lakhs which is 3.80% of the Total Income.

- **Depreciation and Amortization Expenses**

Depreciation and Amortization Expenses on consolidated basis for the period ended March 31, 2023, stood at ₹ 290.34 Lakhs which is 2.51% of the Total Income.

- **Other Expenses**

Other Expenses on consolidated basis for the period ended March 31, 2023, stood at ₹ 278.61 Lakhs which is 2.41% of the Total Income.

- **Restated Profit before Tax**

Restated profit before tax on consolidated basis for the period ended March 31, 2023, stood at ₹ 1,609.35 Lakhs which is 13.93% of the Total Income.

- **Tax Expenses**

Tax Expense on consolidated basis for the period ended March 31, 2023, stood at ₹ 394.74 Lakhs out of which Provision for Taxation being ₹ 374.95 Lakhs and Provision for Deferred Tax being ₹ 19.79 Lakhs which is 3.25% and 0.17% respectively of the Total Income.

- **Restated Profit after Tax**

Restated profit after tax on consolidated basis for the period ended March 31, 2023, stood at ₹ 1,205.31 Lakhs which is 10.44% of the Total Income.

**STUB PERIOD ENDED OCTOBER 31, 2023 (BASED ON RESTATED STANDALONE FINANCIAL STATEMENTS)**



## Revenues

- **Total Income**

Total Income on standalone basis for the period ended October 31, 2023, stood at ₹ 7,005.13 Lakhs.

- **Revenue of operations**

Revenue from operation on standalone basis for the period ended October 31, 2023, stood at ₹ 6,918.69 Lakhs which is 98.77% of the Total Income.

- **Other Income**

Other Income on standalone basis for the period ended October 31, 2023, stood at ₹ 86.44 Lakhs which is 1.23% of the Total Income.

## Expenditure

- **Total Expenses**

Our Total Expenses on standalone basis for the period ended October 31, 2023, stood at ₹ 5,908.43 Lakhs which is 84.34% of the Total Income.

- **Cost of materials consumed**

Cost of materials consumed on standalone basis for the period ended October 31, 2023, stood at ₹ 3,658.84 Lakhs which is 52.23% of the Total Income.

- **Other manufacturing expenses**

Other manufacturing expenses on standalone basis for the period ended October 31, 2023, stood at ₹ 1,400.28 Lakhs which is 19.99% of the Total Income.

- **Employment Benefit Expenses**

Employment Benefit Expenses on standalone basis for the period ended October 31, 2023, stood at ₹ 251.98 Lakhs which is 3.60% of the Total Income.

- **Finance Charges**

Finance Charges on standalone basis for the period ended October 31, 2023, stood at ₹ 319.05 Lakhs which is 4.55% of the Total Income.

- **Depreciation and Amortization Expenses**

Depreciation and Amortization Expenses on standalone basis for the period ended October 31, 2023, stood at ₹ 154.86 Lakhs which is 2.21% of the Total Income.

- **Other Expenses**

Other Expenses on standalone basis for the period ended October 31, 2023, stood at ₹ 123.42 Lakhs which is 1.76% of the Total Income.

- **Restated Profit before Tax**

Restated profit before tax on standalone basis for the period ended October 31, 2023, stood at ₹ 1,096.70 Lakhs which is 15.66% of the Total Income.



- **Tax Expenses**

Tax Expense on standalone basis for the period ended October 31, 2023, stood at ₹ 262.43 Lakhs out of which Provision for Taxation being ₹ 250.10 Lakhs and Provision for Deferred Tax being ₹ 12.33 Lakhs which is 3.57% and 0.18% respectively of the Total Income.

- **Restated Profit after Tax**

Restated profit after tax on standalone basis for the period ended October 31, 2023, stood at ₹ 834.27 Lakhs which is 11.91% of the Total Income.

## **FISCAL YEAR ENDED MARCH 31, 2023 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022 (BASED ON RESTATED FINANCIAL STATEMENTS)**

### **Revenues**

- **Total Income**

Total Income for the period ended March 31, 2023, stood at ₹ 10,715.40 Lakhs whereas in Financial Year 2021-22 it stood at ₹ 6,402.50 Lakhs representing an increase of 67.36%.

- **Revenue of operations**

Revenue from operations for the period ended March 31, 2023, stood at ₹ 10,633.56 Lakhs whereas in Financial Year 2021-22 it stood at ₹ 6,388.85 representing an increase of 66.44%. Revenue from operation increased primarily because of increase in sales as compared to previous financial year. Revenue breakup of the same is as follows:

*Amount in ₹ Lakhs*

<b>Particulars</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>
Domestic Sales from servicing activities	9,778.68	6,323.20
Domestic Sales from trading activities	854.88	65.65

- **Other Income**

Other Income for the Period ended March 31, 2023, stood at ₹ 81.84 Lakhs whereas in Financial Year 2021-22 it stood at ₹ 13.65 Lakhs representing an increase of 499.43%. This was increased because of share of profit from partnership firm and other income which was NIL in F.Y. 2021-22 and ₹ 30.24 Lakhs and ₹ 23.01 Lakhs in F.Y. 2022-23.

### **Expenditure**

- **Total Expenses**

Total Expenses for the Period ended March 31, 2023, stood at ₹ 9,211.59 Lakhs whereas in FY ended March 31, 2022 it stood at ₹ 5,843.3 Lakhs representing an increase of 57.64%. The increase is on account of increase in overall expenses due to growth of the company.

- **Cost of materials consumed**

Cost of materials consumed for the Period ended March 31, 2023, stood at ₹ 4,741.14 Lakhs whereas in FY ended March 31, 2022 it stood at ₹ 2,857.02 Lakhs representing an increase of 65.95%. As the company undergoes expansion in its operations and enters a growth stage, there is a notable rise in consumption costs, driven mainly due to higher purchase of materials during the years.



- **Other direct expense**

Other manufacturing expense for the period ended March 31, 2023, stood at ₹ 3,341.80 Lakhs whereas in FY ended March 31, 2022 it stood at ₹ 2,127.91 Lakhs representing an increase of 57.05%. The increase is on account of increase in expenses like Fuel Expenses, Machinery Rent and Transportation Charges.

- **Employment Benefit Expenses**

Employee benefit expenses for the Period ended March 31, 2023, stood at ₹ 296.80 Lakhs whereas in FY ended March 31, 2022 it stood at ₹ 251.83 Lakhs representing a increase of 17.86%. There was an increase in Employee benefit expenses because of increase in Staff Salaries.

- **Finance Charges**

Finance Charges for the Period ended March 31, 2023, stood at ₹ 371.77 Lakhs whereas in FY ended March 31, 2022 it stood at ₹ 309.05 Lakhs representing an increase of 20.30%. The increase in finance charges are due to higher borrowing in the fiscal 2023 as compare to FY ended March 31, 2022.

- **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Period ended March 31, 2023, stood at ₹ 234.66 Lakhs whereas in Financial Year 2021-22 it stood at ₹ 170.39 Lakhs representing an increase of 37.72%. Depreciation and Amortization Expenses has been increased because of increase in net block due to purchases made in the fiscal 2023.

- **Other Expenses**

The Other Expenses for the Period ended March 31, 2023, stood at ₹ 225.41 Lakhs whereas for FY ended March 31, 2022 it stood at ₹ 127.23 Lakhs representing a increase of 77.16%. This increase is mainly due to increase in Office Rent, Director's Remuneration and other expenses.

- **Restated Profit before Tax**

In line with above discussions, the restated profit before tax increased significantly by ₹ 944.75 Lakhs from ₹ 559.07 Lakhs in FY ended March 31, 2022 to ₹ 1,503.81 Lakhs for the FY ended March 31, 2023.

- **Tax Expense**

Our current tax expense increased by ₹ 214.43 Lakhs from ₹ 144.77 Lakhs in FY ended March 31, 2022 to ₹ 359.21 Lakhs in FY ended March 31, 2023. Also, our provision for deferred tax expense stood at -₹ 8.03 Lakhs in FY 2023 and ₹ 14.87 Lakhs in FY 2022.

- **Restated Profit after Tax**

For the various reasons stated above and adjustments of tax expense, Our Restated profit after tax increased significantly by ₹ 753.20 Lakhs from ₹ 399.43 Lakhs in FY ended March 31, 2022 to ₹ 1,152.63 Lakhs for the FY ended March 31, 2023.



## FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021 (BASED ON RESTATED FINANCIAL STATEMENTS)

### Revenues

- Total Income**

Total Income for the FY ended March 31, 2022, it stood at ₹ 6,402.50 Lakhs whereas in FY ended March 31, 2021 it stood at ₹ 5,871.80 Lakhs representing an increase of 34.54%.

- Revenue from operations**

Net revenue from operations for the FY ended March 31, 2022 stood at ₹ 6,388.85 Lakhs. Whereas For the Financial Year 2020-21, it stood at ₹ 5,799.76 representing an increase of 10.16%. Revenue from operation increased primarily because of increase in sales as compared to previous financial year. Revenue breakup of the same is as follows:

<i>Amount in ₹ Lakhs</i>		
Particulars	Fiscal 2022	Fiscal 2021
Domestic Sales from servicing activities	6,323.20	4,536.43
Domestic Sales from trading activities	65.65	1,263.32

- Other Income**

Other Income for the FY ended March 31, 2022 stood at ₹ 13.65 Lakhs whereas for the FY ended March 31, 2021 it stood at ₹ 18.05 Lakhs representing an decrease of 24.35%. This was decreased because of lesser discount received and other income in the fiscal 2022 as compare to the fiscal 2021.

### Expenditure

- Total Expenses**

Total Expenses for the FY ended March 31, 2022 stood at ₹ 5,843.43 Lakhs whereas for the FY ended March 31, 2021, it stood at ₹ 5,501.74 Lakhs representing an increase of 6.21%. The increase is on account of increase in overall expenses due to growth of the company.

- Cost of materials consumed**

Cost of materials consumed for the Period ended March 31, 2022, stood at ₹ 2,857.02 Lakhs whereas in FY ended March 31, 2021 it stood at ₹ 3,798.65 Lakhs representing an decrease of 24.79%. The decrease is primarily due to lower purchase of materials during the fiscal 2022 as compared to the fiscal 2021.

- Other direct expense**

Other manufacturing expense for the period ended March 31, 2022, stood at ₹ 2,127.91 Lakhs whereas in FY ended March 31, 2021 it stood at ₹ 830.77 Lakhs representing an increase of 156.14%. The increase is on account of increase in Wages and Sub Contract Payments and Transportation Charges.

- Employment Benefit Expenses**

Employee benefit expenses for the Period ended March 31, 2022, stood at ₹ 251.83 Lakhs whereas in FY ended March 31, 2021 it stood at ₹ 503.63 Lakhs representing a decrease of 50.00%. The employee cost was higher during the fiscal 2021 as we had to spend more on Small projects running in various places Post 2021 our Project size has become bigger and need for the persons - skilled and unskilled came down drastically.



- **Finance Charges**

Finance Charges for the Period ended March 31, 2022, stood at ₹ 309.05 Lakhs whereas in FY ended March 31, 2021 it stood at ₹ 195.40 Lakhs representing an increase of 58.16%. The increase in finance charges are due to higher borrowing in the fiscal 2022 as compare to FY ended March 31, 2021.

- **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Period ended March 31, 2022, stood at ₹ 170.39 Lakhs whereas in Financial Year 2021-21 it stood at ₹ 102.04 Lakhs representing an increase of 66.98%. Depreciation and Amortization Expenses has been increased because of increase in net block due to purchases made in the fiscal 2022.

- **Other Expenses**

The Other Expenses for the Period ended March 31, 2022, stood at ₹ 127.23 Lakhs whereas for FY ended March 31, 2021 it stood at ₹ 71.25 Lakhs representing an increase of 78.57%. This increase is mainly due to increase in Travelling & Conveyance Fees and other expenses.

- **Restated Profit before Tax**

In line with above discussions, the restated profit before tax increased significantly by ₹ 243.00 Lakhs from ₹ 316.06 Lakhs in FY ended March 31, 2021 to ₹ 559.07 Lakhs for the FY ended March 31, 2022.

- **Tax Expense**

Our current tax expense increased by ₹ 69.87 Lakhs from ₹ 79.67 Lakhs in FY ended March 31, 2021 to ₹ 144.77 Lakhs in FY ended March 31, 2022. Also, our provision for deferred tax expense stood at ₹ 10.10 Lakhs in FY 2021 and ₹ 14.87 Lakhs in FY 2022.

- **Restated Profit after Tax**

For the various reasons stated above and adjustments of tax expense, Our Restated profit after tax increased significantly by ₹ 173.13 Lakhs from ₹ 226.30 Lakhs in FY ended March 31, 2021 to ₹ 399.43 Lakhs for the FY ended March 31, 2022.

## **INFORMATION REQUIRED AS PER ITEM (II) (C) (IV) OF PART A OF SCHEDULE VI TO THESEBI REGULATIONS:**

1. **Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. **Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled Risk Factors beginning on page 26 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company 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**



Other than as described in this Draft Red Herring Prospectus, particularly in the sections Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 26 and 261, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

**4. Income and Sales on account of major product/main activities**

Income and sales of our Company on account of major activities derives from the business of Sales from Service Activities and Sale from Trading Activities in Constructions Industry.

**5. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company's future costs and revenues can be indirectly impacted by an increase in employees benefit costs as the company require more employee in future.

**6. Future relationship between Costs and Income**

Our Company's future costs and revenues will be determined by competition, demand/supply situation, Indian/ State Government Policies, foreign exchange rates and interest rates quoted by banks & others.

**7. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in our revenues are by and large linked to increases in the volume of business.

**8. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in Construction Industry. Relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page 100 of this Draft Red Herring Prospectus.

**9. Status of any publicly announced new products or business segments.**

Our Company has not announced any new services and product and segment / scheme, other than disclosure in this Draft Red Herring Prospectus.

**10. The extent to which the business is seasonal**

Our business is not seasonal in nature.

**11. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. Over a period of time, we have developed certain competitive strengths which have been discussed in section titled Our Business on page 114 of this Draft Red Herring Prospectus.

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## FINANCIAL INDEBTEDNESS

In terms of the Articles of Association of the Company, the Board is authorized to accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or upto such amount subject to members approval from time to time.

Our Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities, such as change in its capital structure, change in its shareholding pattern and change in promoter's shareholding which has a possible change in the management control of our Company.

As on October 31, 2023 our Company has outstanding amount of secured and unsecured borrowings from banks and financial institutions, bodies corporates and others are ₹ 6,514.80 lakhs, for further details refer chapter titled "Financial Statements" beginning on page no. 190 of this Draft Red Herring Prospectus.

Brief summary of financial indebtedness of our company as on October 31, 2023:

<b>(₹ in Lakhs)</b>	
<b>Nature of Borrowing</b>	<b>Amount as on October 31, 2023</b>
Secured Borrowing	4,809.88
Unsecured Borrowing	1,704.92

### Secured Loan

<b>(₹ in Lakhs)</b>							
<b>S.no</b>	<b>Name of Lender</b>	<b>Nature of Facility</b>	<b>Sanctioned Loan ₹ In Lakhs</b>	<b>Outstanding As On 31st October, 2023</b>	<b>Rate of Interest/ Margin</b>	<b>Repayment Terms</b>	<b>Security/ Principal Terms and Conditions</b>
1	Axis Bank Limited	Vehicle	25.52	6.07	8.75%	48	Hypothecation of Vehicle
2	Axis Bank Limited	Vehicle	25.20	6.00	8.75%	48	Hypothecation of Vehicle
3	Axis Bank Limited	Vehicle	25.20	6.00	8.75%	48	Hypothecation of Vehicle
4	Axis Bank Limited	Plant	76.50	25.05	8.50%	48	Hypothecation of Plant
5	Axis Bank Limited	Vehicle	32.14	10.79	8.50%	48	Hypothecation of Vehicle
6	Axis Bank Limited	Vehicle	32.14	10.79	8.50%	48	Hypothecation of Vehicle
7	Axis Bank Limited	Vehicle	32.14	10.79	8.50%	48	Hypothecation of Vehicle
8	Axis Bank Limited	Vehicle	32.14	10.79	8.50%	48	Hypothecation of Vehicle
9	Axis Bank Limited	Vehicle	32.14	10.79	8.50%	48	Hypothecation of Vehicle
10	Axis Bank Limited	Vehicle	32.14	10.79	8.50%	48	Hypothecation of Vehicle

11	Axis Bank Limited	Vehicle	25.22	3.90	8.50%	36	Hypothecation of Vehicle
12	Axis Bank Limited	Vehicle	19.70	6.45	8.50%	48	Hypothecation of Vehicle
13	Axis Bank Limited	Vehicle	9.68	3.03	8.50%	48	Hypothecation of Vehicle
14	Axis Bank Limited	Vehicle	9.68	3.04	8.50%	48	Hypothecation of Vehicle
15	Axis Bank Limited	Vehicle	9.68	3.25	8.50%	48	Hypothecation of Vehicle
16	Axis Bank Limited	Vehicle	9.68	3.25	8.50%	48	Hypothecation of Vehicle
17	Axis Bank Limited	Vehicle	9.68	3.25	8.50%	48	Hypothecation of Vehicle
18	Axis Bank Limited	Vehicle	9.68	3.25	8.50%	48	Hypothecation of Vehicle
19	CNH Industrial Capital (India) Private Limited	Earth moving vehicle	23.75	9.98	8.14%	47	Hypothecation of Earth moving vehicle
20	CNH Industrial Capital (India) Private Limited	Earth moving vehicle	23.75	9.98	8.14%	47	Hypothecation of Earth moving vehicle
21	CNH Industrial Capital (India) Private Limited	Earth moving vehicle	23.75	9.98	8.14%	47	Hypothecation of Earth moving vehicle
22	CNH Industrial Capital (India) Private Limited	Earth moving vehicle	23.75	9.98	8.14%	47	Hypothecation of Earth moving vehicle
23	Daimler Financial Services India Private Limited	Vehicle	40.00	11.55	8.75%	47	Hypothecation of Vehicle
24	Daimler Financial Services India Private Limited	Vehicle	40.00	11.55	8.75%	47	Hypothecation of Vehicle

25	Daimler Financial Services India Private Limited	Vehicle	40.00	11.55	8.75%	47	Hypothecation of Vehicle
26	Daimler Financial Services India Private Limited	Vehicle	40.00	11.55	8.75%	47	Hypothecation of Vehicle
27	Equitas Finance Limited	Vehicle	5.64	0.99	19.02%	36	Hypothecation of Vehicle
28	Equitas Finance Limited	Vehicle	5.64	0.99	19.02%	36	Hypothecation of Vehicle
29	Federal Bank Limited	Vehicle	148.00	41.33	9.25%	36	Hypothecation of Vehicle
30	Federal Bank Limited	Stock	131.00	131.00	9.25%	36	Hypothecation of Stock
31	HDFC Bank Limited	Vehicle	8.23	2.79	9.76%	47	Hypothecation of Vehicle
32	HDFC Bank Limited	Cemid Equipments	50.72	40.26	8.19%	47	Hypothecation of Cemid Equipments
33	HDFC Bank Limited	Cemid Equipments	50.72	40.26	8.19%	47	Hypothecation of Cemid Equipments
34	HDFC Bank Limited	Cemid Equipments	50.72	40.26	8.19%	47	Hypothecation of Cemid Equipments
35	HDFC Bank Limited	Cemid Equipments	50.72	40.26	8.19%	47	Hypothecation of Cemid Equipments
36	HDFC Bank Limited	Cemid Equipments	50.72	40.26	8.19%	47	Hypothecation of Cemid Equipments
37	HDFC Bank Limited	Cemid Equipments	50.72	40.26	8.19%	47	Hypothecation of Cemid Equipments
38	HDFC Bank Limited	Auto Loan - MG Hector	22.53	17.30	7.35%	60	Hypothecation of Auto Loan - MG Hector
39	HDFC Bank Limited	Plant	42.55	15.91	9.00%	48	Hypothecation of Plant

40	ICICI Bank Limited	Vehicle	29.42	21.57	8.01%	47	Hypothecation of Vehicle
41	ICICI Bank Limited	Vehicle	29.42	21.57	8.01%	47	Hypothecation of Vehicle
42	ICICI Bank Limited	Vehicle	51.49	39.08	8.01%	47	Hypothecation of Vehicle
43	ICICI Bank Limited	Vehicle	51.49	40.11	8.01%	47	Hypothecation of Vehicle
44	ICICI Bank Limited	Vehicle	51.49	40.10	8.01%	47	Hypothecation of Vehicle
45	ICICI Bank Limited	Vehicle	51.49	40.10	8.01%	47	Hypothecation of Vehicle
46	IDFC First Bank Limited	Benz Car	55.00	49.96	10.50%	60	Hypothecation of benz Car
47	Kotak Mahindra Bank Limited	Plant	22.50	7.34	10.05%	23	Hypothecation of Plant
48	Kotak Mahindra Bank Limited	Vehicle	27.82	7.72	9.20%	36	Hypothecation of vehicle
49	Kotak Mahindra Bank Limited	JCB - 130 Vehicle	36.90	10.53	8.50%	46	Hypothecation of JCB - 130 Vehicle
50	Kotak Mahindra Bank Limited	Plant	23.40	7.16	9.25%	36	Hypothecation of Plant
51	Kotak Mahindra Bank Limited	Construction Equipment	50.40	32.26	7.53%	47	Hypothecation of Construction Equipment
52	Kotak Mahindra Bank Limited	Construction Equipment	50.40	32.26	7.53%	47	Hypothecation of Construction Equipment
53	Kotak Mahindra Bank Limited	Construction Equipment	51.75	33.12	7.54%	47	Hypothecation of Construction Equipment
54	Kotak Mahindra Bank Limited	Plant	100.00	60.67	13.03%	36	Hypothecation of Plant

55	Kotak Mahindra Bank Limited	Plant	6.30	2.06	10.09%	23	Hypothecation of Plant
56	Kotak Mahindra Bank Limited	Plant	127.79	87.80	7.70%	46	Hypothecation of Plant
57	Karur Vysya Bank	Skoda car	13.50	4.03	9.20%	84	Hypothecation of Skoda car
58	Tata Motors Finance Limited	Vehicle	38.55	12.09	9.38%	47	Hypothecation of Vehicle
59	Tata Motors Finance Limited	Vehicle	38.55	12.09	9.42%	47	Hypothecation of Vehicle
60	Tata Motors Finance Limited	Vehicle	38.55	12.09	9.38%	47	Hypothecation of Vehicle
61	Tata Motors Finance Limited	Vehicle	38.55	12.09	9.38%	47	Hypothecation of Vehicle
62	Tata Motors Finance Limited	Vehicle	38.55	12.09	9.38%	47	Hypothecation of Vehicle
63	Tata Motors Finance Limited	Vehicle	8.00	0.26	9.42%	35	Hypothecation of Vehicle
64	Tata Motors Finance Limited	Vehicle	8.00	0.26	9.42%	35	Hypothecation of Vehicle
65	Tata Motors Finance Limited	Vehicle	8.00	0.26	9.42%	35	Hypothecation of Vehicle
66	Tata Motors Finance Limited	Vehicle	8.00	0.26	9.42%	35	Hypothecation of Vehicle
67	Tata Motors Finance Limited	Vehicle	8.00	0.26	9.42%	35	Hypothecation of Vehicle
68	Tata Motors	Vehicle	8.00	0.26	9.42%	35	Hypothecation of Vehicle

	Finance Limited						
69	Youth Enterprise Scheme Bank	Creta	8.25	4.23	12.97%	25	Hypothecation of Creta
70	HDFC Bank Limited	Hyundai Car	13.00	11.62	9.26%	48	Hypothecation of Hyundai Car
71	Kotak Mahindra Bank Limited	Vehicle	14.58	13.20	13.11%	36	Hypothecation of vehicle
72	Kotak Mahindra Bank Limited	Vehicle	7.58	6.86	13.17%	36	Hypothecation of vehicle
73	Kotak Mahindra Bank Limited	Vehicle	12.15	11.00	13.08%	36	Hypothecation of vehicle
74	Kotak Mahindra Bank Limited	Vehicle	16.95	15.34	13.15%	36	Hypothecation of vehicle
75	Kotak Mahindra Bank Limited	Vehicle	14.58	13.20	13.11%	36	Hypothecation of vehicle
76	Kotak Mahindra Bank Limited	Vehicle	33.07	30.06	9.52%	36	Hypothecation of vehicle
77	Federal Bank Limited	Vehicle	55.00	55.40	8.80%	47	Hypothecation of Vehicle
78	Federal Bank Limited	Vehicle	55.00	55.40	8.80%	47	Hypothecation of Vehicle
79	Federal Bank Limited	Vehicle	55.00	55.40	8.80%	47	Hypothecation of Vehicle
80	Federal Bank Limited	Vehicle	55.00	55.40	8.80%	47	Hypothecation of Vehicle
81	Federal Bank Limited	Vehicle	55.00	55.40	8.80%	47	Hypothecation of Vehicle
82	Federal Bank Limited	Vehicle	55.00	55.40	8.80%	47	Hypothecation of Vehicle



83	Federal Bank Limited	Vehicle	55.00	55.40	8.80%	47	Hypothecation of Vehicle
84	Federal Bank Limited	Vehicle	55.00	55.40	8.80%	47	Hypothecation of Vehicle
85	Federal Bank Limited	Vehicle	77.12	73.51	9.00%	47	Hypothecation of Vehicle
86	Federal Bank Limited	Vehicle	77.12	73.51	9.00%	47	Hypothecation of Vehicle
87	Federal Bank Limited	Vehicle	29.42	28.04	9.01%	47	Hypothecation of Vehicle
88	Federal Bank Limited	Vehicle	29.42	28.04	9.01%	47	Hypothecation of Vehicle
89	Kotak Mahindra Bank Limited	Vehicle	40.61	39.48	9.50%	35	Hypothecation of vehicle
90	Kotak Mahindra Bank Limited	Vehicle	40.61	39.48	9.50%	35	Hypothecation of vehicle
91	Kotak Mahindra Bank Limited	Vehicle	33.07	30.06	9.52%	35	Hypothecation of vehicle
92	Federal Bank OD	Bank Overdraft	2,750.00	2,674.29	12.60%	NA	Hypothecation of Stock
<b>Total</b>			<b>6,080.01</b>	<b>4,809.88</b>			

#### Unsecured Loan

(₹ in Lakhs)

S.No	Name of Lender	Nature of Facility	Sanctioned Loan ₹ In Lakhs	Outstanding As On 31st October, 2023	Rate of Interest/ Margin	Repayment Terms	Security/ Principal Terms And Conditions
1	Loan from Directors	NA	NA	1704.92	NA	On Demand	NA

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## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except, as stated in this section and mentioned elsewhere in this Draft Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Entities.*

Except as disclosed below there are no:

- a) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years;
- b) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- c) pending proceedings initiated against our Company for economic offences;
- d) default and non-payment of statutory dues by our Company;
- e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies;
- f) law in the last five years against our Company, including fines imposed or compounding of offences done in those five years;
- g) material frauds committed against our Company in the last five years.
- h) Litigation pending against the company or against any other company in which directors are interested, whose outcome could have a materially adverse effect on the financial position of the company
- i) Pending litigation against the promoter/director in their personal capacities and also involving violation of statutory regulation or criminal offences.
- j) Pending proceeding initiated for economic offences against the director, Promoter, companies and firms promoted by the promoters.
- k) Outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the company including disputed tax liability or prosecution under any enactment.

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/entities, would be considered material for the purposes of disclosure if:

- a) the monetary amount of the claim made by or against the Company and directors in any such pending litigation is equal to or in excess of 10% of the consolidated revenue of the Company or 25% of the profits before tax of the Company (whichever is lower) as per the last audited financial statements of the Company for a complete financial year, as included in the Offer Documents; or



- b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a) above; and
- c) any such litigation which does not meet the criteria set out in (a) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Entities which are considered to be material. In case of pending civil litigation proceedings where in the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company. Unless otherwise stated to contrary, the information provided is as of date of this Draft Red Herring Prospectus

## 1. LITIGATION INVOLVING OUR COMPANY

### A. Against & for our Company:

*Civil Cases: M/s. AVP Infracon Limited: Nil*

*Criminal Cases: M/s. AVP Infracon Limited: Nil*

## 2. LITIGATION INVOLVING OUR PROMOTERS/ DIRECTORS

### A. Against & for our Promoters/ Directors:

1.	D Prasanna	NIL
2.	B Venkateshwarlu	NIL
3.	Bhagyavathy D	NIL
4.	C Rajendran	NIL
5.	Priya Rao	NIL
6.	E Rajan	NIL

### KMP

1.	Priyanka Singh	NIL
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### B. By our Promoters/ Directors:

1.	D Prasanna	NIL
2.	B Venkateshwarlu	NIL
3.	Bhagyavathy D	NIL
4.	C Rajendran	NIL
5.	Priya Rao	NIL
6.	E Rajan	NIL



## KMP

1.	Priyanka Singh	NIL
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### 3. LITIGATION INVOLVING OUR GROUP ENTITIES

#### A. Against our Group Entities:

NIL

#### B. By our Group Entities:

NIL

### 4. LITIGATION RELATING TO THE SUBSIDIARY FIRM & COMPANY

*M/s AVP RMC: NIL*

#### A. Against director/ partner of subsidiary company/ firm:

1.	D Prasanna	NIL
2.	B Venkateshwarlu	NIL
3.	K Jai Ganesh	NIL
4.	D Vasanth	NIL

#### B. By director/ partner of subsidiary company/ firm:

1.	D Prasanna	NIL
2.	B Venkateshwarlu	NIL
3.	K Jai Ganesh	NIL
4.	D Vasanth	NIL

### 5. Other litigations involving any other entities which may have a material adverse effect on our Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

### 6. Details of the past penalties imposed on our Company/ Director

Except as disclosed above as on the date of this Draft Red Herring Prospectus, there are no cases in the last five years in which penalties have been imposed on our Company or our Directors.



## 7. OUTSTANDING DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES OR ANY OTHER CREDITORS

As per the materiality policy of our Company, a creditor of our Company, shall be considered material (“**Material Creditor**”) for disclosure in this Draft Red Herring Prospectus, if an amount due to such creditor exceeds 10% of the total consolidated trade payables.

As on October 31, 2023, our Company do not have any outstanding towards Micro, small and medium enterprises. Details of amounts outstanding to material and other creditors is as follows:

### Standalone:

Particulars	No. of Creditors	Amount (₹ in lakhs)
Dues to material creditors	1	405.66
Dues to micro small and medium enterprises	17	899.41
Dues to other creditors	220	2,512.74
<b>Total outstanding dues</b>		<b>3,817.81</b>

### Consolidated:

Particulars	No. of Creditors	Amount (₹ in lakhs)
Dues to material creditors	Nil	0.00
Dues to micro small and medium enterprises	23	1,157.12
Dues to other creditors	314	3,697.44
<b>Total outstanding dues</b>		<b>4,854.56</b>

Complete details of outstanding dues to our creditors as on Seven months period ended October 31, 2023 is available at the website of our Company i.e., [www.avpinfra.com](http://www.avpinfra.com). It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, [www.avpinfra.com](http://www.avpinfra.com), would be doing so at their own risk. For further details, please refer to the section titled “*Financial Statements*” on page 190 of this Draft Red Herring Prospectus.

## 8. MATERIAL DEVELOPMENT OCCURRING AFTER LAST BALANCE SHEET DATE I.E., OCTOBER 31, 2023

The Company has allotted 1,32,00,000 equity shares of face value of ₹ 10 each by way of bonus issue to its shareholders bonus shares in the ratio of 11:4 on November 02, 2023.

## 9. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.



## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various government agencies/regulatory authorities/certification bodies required for our present business, as applicable on the date of this Draft Red Herring Prospectus and except as mentioned below.

On the basis of the list of material approvals provided below, our Company can undertake the Issue and its current business activities and other than as stated below, no further approvals from any regulatory authority are required to undertake the Issue or continue such business activities. In case, if any of licenses and approvals have expired; we have either made an application for renewal or are in process of making an application for renewal. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. For further details, in connection with the applicable regulatory and legal framework, kindly refer “Key Industry Regulation and Policies” on page 137.

### APPROVALS FOR THE ISSUE

1. Our Board have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on December 11, 2023, authorized the Issue, subject to the approval of the shareholders and other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Extra-ordinary General Meeting held on December 15, 2023 authorized the Issue.
3. Our Company has obtained in-principle approval dated [●] from the Emerge platform of NSE for using the name of the Exchange in its Prospectus for listing of the Equity Shares issued by our Company pursuant to the Issue.

### INCORPORATION DETAILS

1. Corporate Identity Number: U45400TN2009PLC072861.
2. Certificate of Incorporation dated September 09, 2009, issued by the Registrar of Companies, Chennai in the name of AVP Constructions Private Limited.
3. Fresh Certificate of Incorporation dated October 06, 2023 issued by the Registrar of Companies, Chennai consequent upon change of the name to AVP Infracon Private Limited.
4. Fresh Certificate of Incorporation dated October 20, 2023 issued by the Registrar of Companies, Chennai consequent upon conversion to public Company to AVP Infracon Limited.

### APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:



#### A. Under Direct and Indirect Laws

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity period	Special conditions, if any
1	Registration in Income Tax Department	Income Tax Department, Govt. of India	PAN: AAHCA9752D	Perpetual	-
2	Allotment of Tax Deduction Account Number (TAN)	Income Tax Department, Govt. of India	TAN: CHEA17315E	Perpetual	-
3	Registration under Goods and Service Tax for the factory situated at Second Floor, E 30, IInd Avenue / Besant Nagar, Chennai, Tamil Nadu, 600090	Central Board of Excise and Customs, Central Excise Division,	GSTIN: 33AAHCA9752D1ZR	Perpetual	-


#### B. Under Industrial and Labour Law

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity period	Special conditions, if any
1.	Employees' Provident Fund	Employees Provident Fund Organisation	Registration With Provident Fund Authority	Perpetual	-
2.	Employees' State Insurance	Employees' State Insurance Corporation	63000979650000999	Perpetual	-
3.	Professional Tax	Greater Chennai Corporation – Professional Tax	13-174-PE-06286		
4.	UDYAM Registration Certificate	Ministry of Micro, Small and Medium Enterprises	UDYAM-TN-27-0002004	Perpetual	-
5.	Registration under The Tamilnadu Industrial Establishments (National, Festival, and	Labour Department, Government of Tamil Nadu	TN/AIL/18CHE/NFS/68-23-01603	Perpetual	-

	Specific Holidays) Act, 1958				
6.	Contractor license	Superintending Engineer Department of Highways	Class - I	31-03-2026	-

## INTELLECTUAL PROPERTIES

Following are the details of the Trademarks Registered in the name of our Company, in India:

Sr. No.	Brand Name/Logo Trademark	Class	Trademark Type	Registration/ Application No.	Date of Application	Current Status
1.	AVP CONSTRUCTIONS	37	Wordmark	6101694	September 08, 2023	Objected
2.		37	Device	6101695	September 08, 2023	Marked for Exam

*This space has been intentionally left blank*





## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

1. This Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on December 11, 2023.
2. The Shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EGM held on December 15, and authorised the Board to take decisions in relation to this Issue.
3. The Company has obtained approval from NSE vide its letter dated [●] to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.
4. Our Board has approved this Draft Red Herring Prospectus through its resolution dated January 06, 2024.
5. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “*Government and Other Statutory Approvals*” beginning on page number 285 of this Draft Red Herring Prospectus.

### Prohibition by SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

### Prohibition by RBI or Governmental authority

Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Our directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

In view of the General Circular No. 07/2018 dated September 6, 2018 and General Circular No. 8/ 2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India, our Company, and our



Promoter Group will ensure compliance with the Companies (Significant Beneficial Ownerships) Rules, 2018, upon notification of the relevant forms, as may be applicable to them.

### **Directors associated with the Securities Market**

We confirm that none of our Directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Draft Red Herring Prospectus.

### **ELIGIBILITY FOR THIS ISSUE**

Our Company is eligible for the Offer in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as the post Offer face value capital is more than Rs.1,000 Lakh, But upto Rs. 2,500 Lakh. Our Company also complies with the eligibility conditions laid by the Emerge Platform of NSE Limited for listing of our Equity Shares.

### **We confirm that:**

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue ***will be hundred percent underwritten and that the BRLM to the Offer will underwrite at least 15% of the Total Issue Size.*** For further details pertaining to said underwriting please refer to “General Information” Underwriting on page 55 of this Draft Red Herring Prospectus.
- b) In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within four (4) 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 four (4) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- c) In accordance with Regulation 246 of the SEBI (ICDR) Regulations, the BRLM shall ensure that the Issuer shall file a copy of the Red Herring Prospectus/ Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus/ Prospectus with the Registrar of Companies.
- d) In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the BRLM will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled “*General Information*”, “*Details of the Market Making Arrangements for this Issue*” on page 63 of this Draft Red Herring Prospectus.
- e) In accordance with Regulation 228 (a) of the SEBI (ICDR) Regulations, Neither the issuer, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board;
- f) In accordance with Regulation 228 (b) of the SEBI (ICDR) Regulations, None of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board;



- g) 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 fraudulent borrower.
- h) In accordance with Regulation 228 (d) of the SEBI (ICDR) Regulations, None of the Issuer's promoters or directors is a fugitive economic offender.
- i) In accordance with Regulation 230 (1) (a) of the SEBI (ICDR) Regulations, Application is being made to NSE Limited and NSE Limited is the Designated Stock Exchange.
- j) In accordance with Regulation 230 (1) (b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
- k) In accordance with Regulation 230 (1) (c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid Up.
- l) In accordance with Regulation 230 (1) (d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialized form.

#### **NSE ELIGIBILITY NORMS:**

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on Emerge Platform of NSE India which states as follows:

**1. The issuer should be a Company incorporated Under Companies Act, 1956/ 2013 in India.**

Our company was incorporated on September 09, 2009 under the Companies Act, 1956.

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital of the Company will be less than ₹ 25 crores.

**3. Positive Net Worth.**

Net worth (consolidated basis) of the Company as on October 31, 2023 is ₹ 3,405.31 Lakhs.

**4. Track Record**

**A) The company should have a (combined) track record of at least 3 years.**

Our Company got incorporated on September 09, 2009 therefore our company satisfies the track record criteria of 3 years.

**B) The company should have operating profits (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive.**

Particulars*	As on October 31, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Operating profit (Earnings before interest, depreciation and tax) from operation	1,484.17	2,028.41	1,024.85	595.45
Net-Worth	3,330.28	2,496.14	1,343.50	684.07

\*Standalone Basis

**5. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent. The Company's shares bear an ISIN INE0R9401019.

**6. Company shall mandatorily have a website.**

Our Company has a live and operational website is [www.avpinfra.com](http://www.avpinfra.com)

**7. Other Listing conditions:**

- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to NSE India for listing on Emerge Platform of NSE India.
- No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
- Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
- 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.

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 NSE Emerge.

**COMPLIANCE UNDER REGULATION 300 OF SEBI (ICDR) REGULATIONS**

No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations with respect to the Issue.

**DISCLAIMER CLAUSE OF SEBI**



**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS 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 THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES LIMITED AS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND 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 RED HERRING PROSPECTUS.**

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, its Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website [www.avpinfra.com](http://www.avpinfra.com) & [www.shareindia.com](http://www.shareindia.com) would be doing so at his or her own risk.

**Caution**

The BRLM accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the BRLM shall make all information available 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 or at collection centers, *etc.* The BRLM and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective



associates in the ordinary course of business & have engaged and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

**Investors who apply in this 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 and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the BRLM 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 Equity Shares.**

### **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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative 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, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs.2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase 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 Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Tamil Nadu 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, except that the Draft Red Herring Prospectus had been filed with NSE Emerge for its observations and NSE Emerge gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 U.S Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

#### **Disclaimer Clause of the Emerge Platform of NSE**

NSE Limited (NSE) has given vide its letter dated [●] permission to this Company to use its name in this offer document as one of the stock exchange on which this company's securities are proposed to be listed on the Emerge Platform. NSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. NSE Limited does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offer or will continue to be listed on NSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by NSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE, 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 for any other reason whatsoever.
- v. NSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the Emerge platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by NSE / other regulatory authority. Any use of the Emerge platform and the related services are subject to Indian Laws and Courts exclusively situated in Tamil Nadu.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT.**

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. 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 Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction





in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale 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 application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and the track record of the past Issues handled by the BRLM to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to Annexure A to the Draft Red Herring Prospectus and the website of the BRLM at [www.shareindia.com](http://www.shareindia.com)

## PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

### ANNEXURE-A

### ANNEXURE-A

### Disclosure of Price Information of Past Issues Handled by Share India Capital Services Private Limited

TABLE 1

Sr. No.	Issue Name	Issue Size (Amount in Crore)	Listing Date	Issue Price (₹)	Opening Price on Listing Date (₹)	+/- % change in closing price, (+/- % change in closing benchmark) - 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing
1	Anmol India Limited	10.23	February 12, 2019	33.00	33.60	-3.57% 6.31 %	-10.71% 8.94%	-11.30% 3.98 %
2	Humming Bird Limited	2.15	March 28, 2019	132.00	132.00	6.81% 1.35 %	2.71%	1.42%
3	Maiden Forgings Limited	23.84	April 06, 2023	63.00	63.00	-4.33% -0.17%	30.43% -0.72%	75.08% -0.45%
4	Exhicon Events Media Solutions Limited	21.12	April 17, 2023	64.00	64.00	129.92% -0.60%	241.64% 0.43%	317.86% 10.64%
5	A G Universal Limited	8.72	April 24, 2023	60.00	60.00	-8.33% -0.05%	-22.50% -0.28%	7.15% 10.14%
6	Quicktouch Technologies Limited	9.33	May 2, 2023	61.00	92.00	110.90% -0.49%	129.67% 0.44%	180.43% 4.96%
7	De Neers Tools Limited	22.99	May 11, 2023	101.00	190.00	74.50% -0.49%	142.57% 0.27%	29.20% 6.06%
8	Krishca Strapping Solutions Limited	17.93	May 26, 2023	54.00	118.00	184.91% -0.40%	439.72% -0.75%	105.80% 7.09%



Source: Price Information [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

**Note:**

1. The S&P BSE Sensex and NSE Nifty are considered as the Benchmark.
2. "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30th / 90th/180th Calendar days from listing.
3. "Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30th / 90th/180th Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 4 below.
4. In case 30th/ 90th/180th day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.

**TABLE 2**  
**Summary Statement of Disclosure**

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			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%
2023-24	6	103.93	-	-	2	4	-	-	-	-	-	1	-	-
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Notes:**

- (1) Since the listing date of Exhicon Events Media Solutions Limited was on April 17, 2023, A G Universal Limited was on April 24, 2023, Quicktouch Technologies Limited was on May 02, 2023, De Neers Tools Limited was on May 11, 2023 and Krishca Strapping solutions Limited was on May 26, 2023, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not applicable.
- (2) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- (3) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
- (4) Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), BSE Sensex and Nifty Fifty as the Benchmark Indices.

**LISTING**

Application will be made to the NSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of NSE Limited has given its in-principle approval for using its name in our Offer documents vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of NSE Limited, our Company will forthwith repay, without interest, all moneys received from the



Applicant in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 4 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 4 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE Limited mentioned above are taken within Six Working Days from the Offer Closing Date.

## **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:*

- 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.*

*The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount, if fraud involves an amount of at least Ten lakhs or one-percent of the turnover of the company, whichever is lower.*

*Provided that where fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable for an imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.*

## **CONSENTS**

Consents in writing of: (a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) BRLM, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing Red Herring prospectus to ROC) and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn at the time of delivery of the Red Herring Prospectus for registration with the RoC.

Our Auditors have given their written consent for the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and such consent and report



is not withdrawn up to the time of delivery of this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with NSE.

## **EXPERT OPINION**

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits, Audit reports by Peer Review Auditors for period ended on March 31, 2023, our Company has not obtained any other expert opinion. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION**

We have not made any previous rights and/or public issues since incorporation and are 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).

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Other than as detailed under chapter titled “Capital Structure” beginning on page 66 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

## **PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY**

None of our Group Companies and Associates are listed and have undertaken any public or rights issue in the three (3) years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus our company has no Listed Subsidiary

## **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED SUBSIDIARIES OF OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding performance vis-à-vis objects is not applicable to us. Further, as on date of this Draft Red Herring Prospectus our Company has no listed corporate promoters and no listed subsidiary company.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of the Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.



## **OPTION TO SUBSCRIBE**

Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Offer 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.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Offer may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection center of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Applicant.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicant shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Offer for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on November 17, 2023 . For further details, please refer the chapter titled “Our Management” beginning on page 155 of this Draft Red Herring Prospectus.

Our Company has appointed Ms. Priyanka Singh as the Company Secretary and Compliance Officer and may be contacted at the following address:

### **AVP INFRACON LIMITED**

Plot No. E-30, IInd Floor, IInd Avenue Besant Nagar, Chennai, Tamil Nadu - 600090, India,  
Tel. +91-44-48683999;



Fax: N.A.

E-mail: [cs@avpinfra.com](mailto:cs@avpinfra.com)

Website: [www.avpinfra.com](http://www.avpinfra.com)

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

#### **EXEMPTION FROM COMPLYING ANY PROVISION OF SECURITIES LAW**

As on the date of this prospectus, our company has not obtained exemption from complying any provision of Securities law.

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## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red- Herring Prospectus, Red Herring Prospectus, Prospectus, Abridged Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN) 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 laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the 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) facility for making payment. Further, further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, and as modified through its circular 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 no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020. Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

#### **The Offer**

The Offer consists of a Fresh Issue by our Company. Expenses for the Offer shall be Borne by our Company in the manner specified in “Objects of the Issue” on page 79 of this Draft Red Herring Prospectus.

#### **Ranking of Equity Shares**

The Equity Shares being Offered/Allotted in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association, SEBI ICDR Regulations and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends, Voting Power and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with





Companies Act, 2013 and the Articles of Association of the Company.

#### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on December 11, 2023 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of the Company held on December 15, 2023.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders 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, 2013. Dividends, if any, declared by our Company after the date of Allotment will be payable to the transferee who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, please refer to the chapter titled Dividend Policy beginning on pages 188 of this Draft Red Herring Prospectus.

#### **Face Value and Issue Price**

The face value of each Equity Share is ₹ 10/- and the Offer Price at the lower end of the Price Band is ₹ [●]/- per Equity Share and at the higher end of the Price Band is ₹ [●]/- per Equity Share. The Anchor Investor Offer Price is ₹ [●]/- per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper and [●] edition of [●] being the regional language of Chennai, (where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their 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 at the website of the Stock Exchange. The Offer Price shall be determined by our Company, in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the 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 the disclosure and accounting norms**

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholder**



Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” on page 357 of this Draft Red Herring Prospectus.

#### **Allotment only in Dematerialized form**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement dated September 18, 2023 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated September 22, 2023 among NSDL, our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall 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. 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 Limited 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 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 Application value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to



investors at large. For further details, see “Issue Procedure” on page 311 of this Draft Red Herring Prospectus.

### **Minimum Number of Allottees**

Further in accordance with Regulation 268(1) of SEBI ICDR Regulations, the minimum number of allottees in this 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 all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

### **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.

### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, 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 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/transfer/alienation 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 our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.



Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. 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 ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies 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 will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 66 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "Main Provisions of Articles of Association" on page 357 of this Draft Red Herring Prospectus.

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 herein above. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft 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 or regulations.

#### **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, in terms of Regulation 261(5) of the SEBI ICDR Regulations, 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 EMERGE platform of NSE.

#### **Application by Eligible NRIs, FPIs or VCFs 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.



**As per the extant Guidelines of the Government of India, OCBs cannot participate in this Offer**

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.

**Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, [●] and the registered office of the company is situated in Tamil Nadu, therefore Tamil is the regional language. In the pre-issue advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR 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. The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager 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. 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 and regulations.

**New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the 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 to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA applicant within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares



are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

### Period of Subscription List of the Public Issue

Event	Indicative Date
Offer Opening Date	[●] <sup>^1</sup>
Offer Closing Date	[●] <sup>^2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account*	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

*Note - <sup>(1)</sup> Our Company in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

*<sup>(2)</sup> Our Company in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer 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/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by 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/ Offer 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 may be 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. Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/ Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Offer 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/ Offer Closing Date, as is typically experienced in public Offer, 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 Offer. 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/ Offer 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/ Offer 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 revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of syndicate members.

### **Minimum Subscription**

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvment of Underwriter within sixty days from the date of closure of the Offer, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four (4) 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” on page 55 of this Draft 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.





Further, in accordance with Regulation 268 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).

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.

### **Migration to Main Board**

Our company may migrate to the main board of NSE at a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2500 Lakh 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 Promoters in favor 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), our Company shall apply to NSE for listing of its 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 our company is more than ₹ 1000 Lakh but below ₹ 2500 Lakh, our Company 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 Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company voluntarily desiring to migrate to the Main board from the EMERGE Platform, amongst others, has to fulfill following conditions:

<b>Parameter</b>	<b>Migration policy from NSE SME Platform to NSE Main Board</b>
<b>Paid up Capital &amp; Market Capitalisation</b>	The paid-up equity capital of the applicant shall not be less than ₹ 10 crores and the capitalisation of the applicant's equity shall not be less than ₹ 25 crores** ** Explanation For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares
<b>Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)</b>	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and



	has positive PAT in the immediate Financial Year of making the migration application to Exchange.
<b>Listing period</b>	The applicant should have been listed on SME platform of the Exchange for at least 3 years
<b>Other Listing conditions</b>	<ul style="list-style-type: none"> <li>• The applicant Company has not referred to the Board of Industrial &amp; Financial Reconstruction (BIFR) &amp;/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.</li> <li>• The company has not received any winding up petition admitted by a NCLT.</li> <li>• The net worth* of the company should be at least ₹ 50 crores</li> </ul> <p>*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</p>
<b>Public Shareholders</b>	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000.
<b>The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:</b>	<p>The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.</p> <ul style="list-style-type: none"> <li>• Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.</li> <li>• Redressal mechanism of Investor grievance</li> <li>• PAN and DIN no. of Director(s) of the Company</li> <li>• Change in Control of a Company/Utilization of funds raised from public</li> </ul>

### **Market Making**

The shares issued and transferred through this Offer are proposed to be listed on the Emerge Platform of NSE Limited with compulsory market making through the registered Market Maker of the Emerge Exchange for a minimum period of 3 (three) years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of NSE Limited. For further details of the market making arrangement please refer to chapter titled General Information beginning on page 55 of this Draft Red Herring Prospectus.

*This space has been intentionally left blank*



## ISSUE PROCEDURE

*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 the BRLM would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and 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 the Draft Red Herring Prospectus.*

*All Applicants shall review the “General Information Document for Investing in Public Issues” prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations. The General Information Document will also be available on the websites of the Stock Exchange and the BRLM, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.*

*The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 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 01, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and 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 prescribed by SEBI vide circular*



SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc. shall be applicable to Public Issue opening on or after January 01, 2022 and October 01, 2021 respectively and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 01, 2022) whose application sizes are up to Rs. 5,00,000/- shall use the UPI Mechanism.

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 Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on [www.nseindia.com](http://www.nseindia.com) For details on their designated branches for submitting Application Forms, please see the above mentioned website of NSE.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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 <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please refer the above mentioned NSE website.

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, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus.

### **BOOK BUILT PROCEDURE**

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the , allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance



with the ICDR Regulations. One- of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price. In the of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from 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 Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation on a proportionate basis to Non- institutional Bidders and not less than 35.00% of the Offer 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 offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spillover from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

***Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.***

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLM to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank accounts specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

#### **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**





SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through 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 Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a. **Phase I:** This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual applicant, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the 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.
- b. **Phase II:** This phase commenced on completion of Phase I i.e. with effect from July 01, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries 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.
- c. **Phase III:** The commencement period of Phase III is notified pursuant to SEBI press release bearing number 12/2023 and as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, where the revised timeline of T+3 days shall be made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 01, 2023; and (ii) mandatory on or after December 01, 2023. The Issue will be made under UPI Phase II of the UPI Circulars. The Issue will be made under UPI Phase II or III of the UPI Circulars depending upon applicable provision of relevant SEBI Circular at the time of issue Opening.

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed [●] as the 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 Investors into the UPI mechanism.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs



being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 05, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 01, 2022, where the application amount is up to Rs. 5,00,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than Rs. 200,000 and up to Rs. 5,00,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through 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.

The processing fees for applications made by Retail Individual 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 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Issue shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to





block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non- repatriation basis	[•]
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[•]
Anchor Investors**	[•]

*\*Excluding electronic Bid cum Application Form*

*\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.*

Note:

- Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.
- Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals;

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 (‘P’) (whose name is mentioned on the website of the stock exchange as eligible for this activity).
5.	A registrar to an Offer 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 SCSB’s</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 by investors to intermediaries other than SCSBs with use of UPI for</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 on a continuous



<b>payment:</b>	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/ 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/Offer Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

#### **WHO CAN APPLY?**

**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:

- 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);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The applicant should specify that the application is being made in the name of the HUF in the 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. Applications by HUFs would be considered at par with those from individuals;
- 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. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- 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 corporates or foreign individuals only under the Non-Institutional applicants category;
- j. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k. Foreign Venture Capital Investors registered with 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 Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- p. Pension Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- q. Multilateral and Bilateral Development Financial Institutions;
- r. 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;
- 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 applying in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications shall not be made by:



Minors (except through their Guardians)  
Partnership firms or their nominations  
Foreign Nationals (except NRIs)  
Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Offer. 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 Offer 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**

#### **a) For Retail Individual Applicants**

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 Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

#### **b) For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer 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 Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants 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 Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Applicants. 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 Draft 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 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 Offer and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●], and in Regional language where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

a) The Bid / Offer Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Bid/ Offer Period may be extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●], and in Regional language 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/ Offer 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/ Offer 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 Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer 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 Offer. 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/ Offer Period i.e. one working day prior to the Bid/ Offer 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 311 of this Draft 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 finalisation 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 Offer 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 Offer 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 Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **Bids At Different Price Levels and Revision Of Bids**

1. 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/ Offer 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 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.
2. Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
3. 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.
4. 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.

5. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other Bidders.

#### **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 Offer 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 Offer, 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 Offer under the Anchor Investor Portion.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares indematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities 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 Issue Opening Date and 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 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 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 Bidders 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 Bidders 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 in 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.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs**

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **APPLICATION BY MUTUAL FUNDS**



With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. As per the current regulations, the following restrictions are applicable for investments by mutual funds.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single Company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should not invest more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made. Custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **APPLICATIONS BY ELIGIBLE NRI**

Eligible NRIs may obtain copies of Application Form from the members of the Syndicate, the sub-Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs and CDPs. 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") 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 Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than Rs. 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding Rs. 2,00,000 would be considered under the Non-Institutional Category for allocation in the Offer.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis. Allotment of Equity shares to non-residents Indians shall be subject to the prevailing Reserve Bank of India guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with an income thereon subject to permission of the RBI and subject to the Indian Tax Laws and Regulations and any other



applicable laws. The company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multi-lateral and Bi-lateral development financial institutions.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in color). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-Residents (blue in color). For details of restrictions on investment by NRIs, please refer to the chapter titled “Restrictions on Foreign Ownership of Indian Securities” beginning on page 351 of this Draft Red Herring Prospectus.

### **APPLICATIONS BY ELIGIBLE FIIs/FPIs**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered 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 sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by 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 sectoral 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.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

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 investor 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, subscribe to or otherwise deal in



offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. 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. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue incolor). FPIs are required to apply through the ASBA process to participate in the Offer.

#### **APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “SEBI VCF Regulations”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs.

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 1/3rd 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 Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same



basis with other categories for the purpose of allocation.

### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications 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 Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. Limited Liability Partnerships can participate in the issue only through the ASBA Process.

### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the IRDA Investment Regulations), 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 (a), (b) and (c) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of Rs. 500,000.00 million or more but less than Rs. 2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

### **APPLICATIONS BY BANKING COMPANIES**

**Applications by Banking Companies:** In case of Applications 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 Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the





Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

**Applications by SCSBs:** SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making 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 application in public issues and clear demarcated funds should be available in such account for such applications.

### **APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

### **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 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 Rs. 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 Rs. 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 Rs. 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than Rs. 200.00 Lakhs but upto Rs. 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of Rs. 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than Rs. 2500.00 Lakhs:
    - (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto Rs. 2500.00 Lakhs; and
    - (ii) an additional 10 Anchor Investors for every additional allocation of Rs. 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of Rs. 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. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 90 days on fifty per cent of the shares allotted to the anchor investors from the date of allotment, and a lock-in of 30 days on the remaining fifty per cent of the shares allotted to the anchor investors 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 byes.
  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 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 Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

### **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b) With respect to applications 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 with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 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 Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

**The above information is given for the benefit of the Applicants. 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 Draft 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 or regulations.**

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **Offer 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 Offer price of Rs. [●] 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 Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer 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 Offer 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 Offer and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Offer 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: — “[●]”
- b. In case of Non-Resident Anchor Investors: — “[●]”
- c. 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 Offer to facilitate collections from the Anchor Investors.

### **ELECTRONIC REGISTRATION OF BIDS**

- 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 1.00 p.m. of next Working Day from the Issue Closing Date.
- 3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them, or
  - iv. 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 or
  - iii. The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue 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. 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.
  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 1.00 p.m. on the next working day after 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/ Offer 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/ Offer Period.

### Withdrawal of Bids

- i. RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer 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.
- ii. The Registrar to the Offer 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 Offer Price and the Anchor Investor Offer Price.
- b. The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer 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 Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under subscription 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 Offer; 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, Offer 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 Offer 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 Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer 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**

- Our company has entered into an Underwriting Agreement dated December 20, 2023.
- A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be filing 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 and Regulation 264 of SEBI (ICDR) Regulations, 2018, the 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 one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, shall be in the format prescribed in Part A of Schedule VI of the SEBI Regulations.

### **GENERAL INSTRUCTIONS**

#### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- All Bidders should submit their Bids through the ASBA process only
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre
- In case of joint Bids, ensure that 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 Application Form;
- Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type



accounts under Channel II (described in the UPI Circulars);

- Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
- RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
- RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
- RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Offer;
- RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
- RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms
- QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
- Ensure that the name(s) given in the 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 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;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
- Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the 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);
- Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
- 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

these securities market, all Bidders should mention their PAN allotted under the I.T. 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;

- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their 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 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 Application Form;
- Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Draft Red Herring Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- 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 Offer;
- 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;
- Ensure that you have correctly signed the authorization/undertaking box in the 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 Application Form at the time of submission of the Bid;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form;
- RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank before 5:00 p.m. before the Bid / Offer Closing Date;
- RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount



in the RIB's ASBA Account;

- RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
- Bids by Eligible NRIs and HUFs for a Bid Amount of less than Rs. 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding Rs. 200,000 would be considered under the Non- Institutional Portion, for the purposes of allocation in the Offer.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, is liable to be rejected.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest
- RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer.
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
- All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as



amended.

- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;

The Applications should be submitted on the prescribed Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Other Instruction for Bidders**

#### **Joint Applications in the case of Individuals**

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 Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- a) All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- b) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- c) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client's norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all



categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the BRLM reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

- (i) All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- (ii) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Bid submitted without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

#### **GROUND OF TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);





6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

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 Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer 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 Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. 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 Offer.

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer 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 Offer Price.

The Net Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer 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 Offer 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 Offer 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 Offer Price.

The Net Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer 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 Offer 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**

Bids received from QIBs Bidding in the QIB Category 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 shall be undertaken in the following manner:

- In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:
  - i. 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.
  - ii. 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 Offer Price.
  - iii. 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;
- In the second instance Allotment to all QIBs shall be determined as follows:
  - i. In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer 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.
  - ii. 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.
  - iii. 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.

c) Basis of Allotment for QIBs and NIIs in case of Over Subscribed Offer:

In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE EMERGE (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- 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).
- 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).
- 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.
- 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.

- 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 Offer 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 National Stock Exchange of India Limited.**

**The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer 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**

- a. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- b. 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 Offer. The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
- c. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Offer 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 transfer 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 4 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.



### **Instruction 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 Offer 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 Offer 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 from 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 Offer should be addressed to the Registrar to the Offer 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 Offer in case of any pre-Offer or post Offer 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 SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Offer 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 Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Offer 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.

### **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**

Our Company undertakes the following:

1. that if our Company do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the Pre- Issue advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
4. That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of Issue Closing Date or such time as prescribed;
5. 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;
6. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
7. That no further Issue of Equity Shares shall be made till the Equity Shares issued through this Draft Red Herring Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.
8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
9. That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be 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 ICDR Regulations and applicable law for the delayed period;
10. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time;

### **Utilization of Issue Proceeds**

Our Board 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 Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate



- head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
  4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) 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. Our Company undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

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## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 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. Foreign investment is allowed up to 100% under automatic route in our Company.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

**As per the existing policy of the Government of India, OCBs cannot participate in this Issue. The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.**

**Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our 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 Draft 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.**

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## 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 ₹ 10 crores and upto ₹ 25 crores, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of NSE). For further details regarding the salient features and terms of such an issue, please refer chapter titled “Terms of Issue” and “Issue Procedure” on page no. 301 and 311 respectively of this Draft Red Herring Prospectus.*

*This public issue of up to 69,79,200 equity shares of face value of ₹10/- each 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 our company. The Issue and the Net Issue will constitute 27.94 % and 25.01 % respectively of the post issue paid up Equity Share Capital of the Company.*

*This Issue is being made by way of Book Building Process (1):*

Particulars of the Issue	Market Maker Reservation Portion	QIBs	Non – Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation	7,31,200 Equity shares	[●] Equity shares	[●] Equity shares	[●] Equity shares
Percentage of Issue Size Available for allocation	10.48% of the issue size	Not more than 50.00% of the Net offer size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.	Not less than 15.00% of the Offer shall be available for allocation.	Not less than 35.00% shall be available for allocation.
Basis of Allotment	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) [●] Equity shares shall be	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to

		allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors For further details please refer to the section titled “Issue Procedure” beginning on page 311.		Availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Issue Procedure” on Page 311.
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).			
Minimum Bid Size	[●] Equity Shares in multiple of [●] 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 in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000.
Maximum Application Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs.2,00,000.
Mode of Allotment	Dematerialized Form			



Trading Lot	<input type="checkbox"/> Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	<input type="checkbox"/> Equity Shares and in multiples thereof	<input type="checkbox"/> Equity Shares and in multiples thereof	<input type="checkbox"/> Equity Shares and in multiples thereof
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder 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.			

**Note:**

1. *In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.*
2. *Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
3. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on Emerge exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in Rs. )	Lot Size (No. of shares)
Upto 14	10000
More than 14 upto 18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300

More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with BRLM, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

## **WITHDRAWAL OF THE ISSUE**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right to 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, where the Registered office of the Company is situated.

The Book Running Lead Managers, 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 Draft 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 approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Draft Red Herring Prospectus/ Red Herring Prospectus with RoC.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Tamil Nadu.

## **ISSUE PROGRAMME**

<b>ISSUE OPENING DATE</b>	[•]
<b>ISSUE CLOSING DATE</b>	[•]

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 Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m.



In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bidform, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the issue closing date:

- (a) A standard cut-off time of 3.00 PM for acceptance of applications.
- (b) A standard cut-off time of 4.00 PM for uploading of applications received from non-retail applicants i.e. QIBs, HNIs and employees (if any).

A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by BRLM to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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## SECTION IX – MAIN PROVISION OF ARTICLE OF ASSOCIATION

### THE COMPANIES ACT, 2013 #3

### COMPANY LIMITED BY SHARES (Incorporated under the Companies Act, 1956)

### ARTICLES OF ASSOCIATION #2 OF AVP INFRACON LIMITED #1#2 (THE “COMPANY”)

#### 1. CONSTITUTION OF THE COMPANY

(a) The regulations contained in table “F” of Schedule I to the Companies Act, 2013 shall apply to the Company only in so far as the same are not provided for or are not inconsistent with these Articles.

(b) The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

#### 2. DEFINITIONS AND INTERPRETATION

##### A. Definitions

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

a. “Act” means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013, and applicable and subsisting provisions of the Companies Act, 1956, if any, along with the relevant Rules made there under. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

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***#1&2 [The name of the Company has changed from AVP Construction Private Limited to AVP Infracon Private Limited, vide Special Resolution passed by the Shareholders Extra Ordinary General Meeting held on 20/10/2023] and again changed due to conversion into a Public Company.***

***#3 [The Title of the Articles of the Association of the Company has been amended vide Special Resolution passed by the Shareholders Extra Ordinary General Meeting held on 15/12/2023].***

b. “Annual General Meeting” shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.

c. “Articles” shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

d. “Auditors” shall mean and include those persons appointed as such for the time being by the Company.





- e. “Board” or “Board of Directors” shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.
- f. “Board Meeting” shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
- g. “Business Day” shall mean a day on which scheduled commercial banks are open for normal banking business;
- h. “Capital” or “Share Capital” shall mean the authorized share capital of the Company.
- i. “Chairman” shall mean such person as is nominated or appointed in accordance with Article 35 herein below.
- j. “Companies Act, 2013” shall mean the Companies Act, 2013 (Act 18 of 2013), as amended, including any statutory modification or re-enactment thereof, for the time being in force.
- k. “Company” or “this Company” shall mean **AVP INFRACON LIMITED**
- l. “Committees” shall have the meaning ascribed to such term in Article 66.
- m. “Depositories Act” shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- n. “Director” shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.
- o. “Dividend” shall include interim dividends.
- p. “Encumbrance” shall mean any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial ownership and any interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind;
- q. “Equity Share Capital” shall mean the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis.
- r. “Equity Shares” shall mean fully paid-up equity shares of the Company having a par value of INR 10 (Rupees Ten) per equity share of the Company, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.
- s. “Executor” or “Administrator” shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Shares or other Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- t. “Extraordinary General Meeting” shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.
- u. “Financial Year” shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- v. “Law/Laws” shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements



with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

w. “Memorandum” shall mean the memorandum of association of the Company, as amended from time to time.

x. “Office” shall mean the registered office for the time being of the Company.

y. “Paid-up” shall include the amount credited as paid up.

z. “Person” shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

aa. “Register of Members” shall mean the register of Shareholders to be kept pursuant to Section 88 of the Act.

(bb) “Registrar” shall mean the Registrar of Companies, from time to time having jurisdiction over the Company. (cc) “Rules” shall mean the rules made under the Act and as notified from time to time.

ab. “Seal” shall mean the common seal(s) for the time being of the Company, if any.

ac. “SEBI” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992. “SEBI Listing Regulations” shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.

ad. “Securities” or “securities” shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

ae. “Shares” or “shares” shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

af. “Shareholder” or “shareholder” or “member” shall mean any shareholder of the Company, from time to time.

ag. “Shareholders’ Meeting” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

ah. “Stock Exchanges” shall mean Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities are listed.

## B. Interpretation

In these Articles (unless the context requires otherwise):

a. References to a person shall, where the context permits, include such person’s respective successors, legal heirs and permitted assigns.

b. The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

c. References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.



d. Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

e. Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.

f. The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

g. Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

h. In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

### **3. EXPRESSIONS IN THE ACT AND THESE ARTICLES**

Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Listing Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

### **4. SHARE CAPITAL**

a. The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company with such rights, privileges and conditions respectively attached thereto as may be from time to time and the Company may sub- divide, consolidate and increase the Share Capital from time to time and upon the sub-division of Shares, apportion the right to participate in profits in any manner as between the Shares resulting from the sub-division.

b. The Company has power, from time to time, to increase or reduce its authorised or issued and Paid up Share Capital, in accordance with the Act, applicable Laws and these Articles.

c. The Share Capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

d. The Board may, subject to the relevant provisions of the Act and these Articles, allot and issue Shares as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or in respect of an acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Shares which may be so allotted may be issued as fully/partly Paid-up Shares and if so issued shall be deemed as fully/partly Paid-up Shares.

e. Except so far as otherwise provided by the conditions of issue or by these Articles, any Share Capital raised by the creation of new Shares, shall be considered as part of the existing Share Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

f. Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members, shall for the purposes of these Articles, be a Shareholder.



g. The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

## **5. PREFERENCE SHARES**

### **a. Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

### **b. Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible preference shares liable to be converted in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for conversion at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

## **6. PROVISIONS IN CASE OF PREFERENCE SHARES**

Upon the issue of preference shares pursuant to Article 5 above, the following provisions shall apply:

- a. No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- b. No such shares shall be redeemed unless they are fully paid;
- c. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;
- d. Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "Capital Redemption Reserve Account" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- e. The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- f. The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- g. Whenever the Company shall redeem any redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar as required by Section 64 of the Act.

## **7. COMPANY'S LIEN**



A. On shares :

a. The Company shall have a first and paramount lien :

(I) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

(II) on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

b. The Company's lien, if any, on the shares, (not being a fully paid share), shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

c. For the purpose of enforcing such lien, the Board may sell such partly Paid-up shares, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said shares be affected by any irregularity or invalidity in the proceedings in reference to the sale of such shares;

Provided that no sale of such shares shall be made :

(I) unless a sum in respect of which the lien exists is presently payable; or

(II) until the expiration of 14 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.

The net proceeds of any such 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. 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.

d. No Shareholder shall exercise any voting right in respect of any shares or Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

e. Subject to the Act and these Articles, the right of lien under this Article 7 shall extend to other Securities.

## 8. CALLS

a. Subject to the provisions of Section 49 of the Act, the terms on which any shares may have been issued and allotted, the Board may, from time to time, by a resolution passed at a meeting of the Board, make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by instalments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

b. 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by



the Company specifying the time and place of payment, provided that before the time for payment of such call, the Board may revoke or postpone the same.

c. The call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date as shall be fixed by the Board.

d. The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

e. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

f. If any Shareholder or allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment thereof, or any such extension thereof, he shall be liable to pay interest on the same from the day appointed for the payment to the time of actual payment at 10 (ten) per cent per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder and the Board shall be at liberty to waive payment of such interest either wholly or in part.

g. Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by instalments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

h. On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the Company against the Shareholder or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Shareholder or his representatives against the Company that the name of such Shareholder was improperly inserted in the Register of Members or that the money sought to be recovered has actually been paid.

i. The Company may enforce a forfeiture of shares under Article 11 below notwithstanding the following : (i) a judgment or a decree in favour of the Company for calls or other money due in respect of any share; (ii) part payment or satisfaction of any calls or money due in respect of any such judgement or decree; (iii) the receipt by the Company of a portion of any money which shall be due from any Shareholder to the Company in respect of his shares; and (iv) any indulgence granted by the Company in respect of the payment of any such money.

j. The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in





respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board may agree upon; provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. Provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such shares in the manner determined by the Board. Provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the members to the Company, on instalments or calls, or in any other manner, the maker of such advance shall be entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to members on account of capital, in accordance with and subject to the provisions of the Act.

k. No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.

## **9. TRANSFER AND TRANSMISSION OF SHARES**

a. The Company shall record in the Register of Members fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form.

b. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

c. I. An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

II. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

d. Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee have been entered in the Register of Members in respect thereof.

e. Subject to the provisions of the Act, a person entitled to a share by transmission shall, subject to the right of the Board to retain such Dividends as hereinafter provided in Article 72(g) be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the shares.

f. The Board shall have power on giving not less than 7 (seven) days ' previous notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated and by publishing a notice on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

g. Subject to the provisions of Sections 58 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.





Provided that, registration of a 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 Company on any account whatsoever except where the Company has a lien on shares.

h. Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transfer / transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

i. Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/ transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the listing requirements of the relevant Stock Exchanges on the ground that the number of shares to be transferred is less than any specified number.

j. In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder(s) recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

k. The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint- holders) or his nominee(s), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 9 (a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

l. (1) Subject to the provisions of Articles and the Act, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

m. A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

(I) Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to register himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.



(II) Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a unpaid dividend account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

(III) In case of transfer and transmission of shares or other securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

n. Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

o. No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration or other similar documents.

p. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

q. The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

## **10. DEMATERIALIZATION OF SECURITIES**

a. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

b. Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

c. If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

d. Securities in Depositories to be in fungible form :

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.



e. Rights of Depositories & Beneficial Owners :

(I) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(II) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(III) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(IV) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

f. Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them, subject to Article 17(l).

g. Register and Index of Beneficial Owners :

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

h. Cancellation of Certificates upon surrender by Person :

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

i. Service of Documents :

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

j. Transfer of Securities :

(I) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.



(II) In the case of transfer or transmission of shares or other Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

k. Allotment of Securities dealt with in a Depository :

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

l. Certificate Number and other details of Securities in Depository :

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

m. Provisions of Articles to apply to Shares held in Depository :

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

n. Depository to furnish information :

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

o. Option to opt out in respect of any such Security :

Subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

p. Overriding effect of this Article :

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

## **11. FORFEITURE OF SHARES**

a. If any Shareholder fails to pay any call or instalment of a call or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to such Shareholder or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

b. The notice shall name a day, (not being less than 14 (fourteen) days from the date of service of notice), and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment



ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

c. If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, instalments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act.

d. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

e. Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

f. Any Shareholder whose shares have been forfeited shall, cease to be a shareholder of the Company and notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

g. The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

h. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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 shares.

i. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

j. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

k. The Board may, at any time, before any share so forfeited shall have been sold, re- allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.



l. The Directors may subject to the provisions of the Act, accept a surrender of any share certificates from or by any Shareholder desirous of surrendering them on such terms as the Directors think fit.

## **12. ALTERATION OF SHARE CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may, by an Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- a. increase its Share Capital by such amount as it thinks expedient;
- b. consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares :
- c. Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
- d. convert all or any of its fully Paid up shares into stock, and reconvert that stock into fully Paid up shares of any denomination;
- e. sub-divide its existing Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- f. cancel its Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.

## **13. REDUCTION OF SHARE CAPITAL**

The Company may, subject to the applicable provisions of the Act, from time to time by a Special Resolution, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

## **14. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act read with Rules made there under from time to time, by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the applicable Laws.

## **15. POWER TO MODIFY RIGHTS**

- a. Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may be varied, subject to the provisions of Section 48 of the Act and applicable Laws, and whether or not the Company is being wound up, be varied provided the same is affected with consent in writing of the holders of not less than three-fourths of the issued shares of that class or by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class.
- b. To every such separate meeting, the provisions of these Articles 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.

c. 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 paripassu therewith.

## **16. REGISTERS TO BE MAINTAINED BY THE COMPANY**

a. The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act

(I) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

(II) A register of Debenture holders; and

(III) A register of any other security holders.

b. The Company may keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

c. The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

## **17. SHARES AND SHARE CERTIFICATES**

a. The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

b. A duplicate certificate of shares may be issued, if such certificate :

(I) is proved to have been lost or destroyed; or

(II) has been defaced, mutilated or torn; and is surrendered to the Company.

c. The Company shall be entitled to dematerialise its existing Shares, rematerialise its Shares held in the depository and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, and the regulations framed there under, if any.

d. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding rupees fifty for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.





e. The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

f. When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

g. All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

h. The Secretary of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub- article (g) of this Article.

i. All books referred to in sub-article (h) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

j. The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

k. If any Shares stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.

l. Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than 3 (three) persons as the joint holders of any share except in the case of executors or trustees of a deceased member.

## **18. SHARES AT THE DISPOSAL OF THE DIRECTORS**

a. Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.

b. Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and SEBI, the Directors may



impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.

c. If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

d. Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

e. In accordance with Section 56 and other applicable provisions of the Act and the Rules:

(I) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued in the manner prescribed under section 46 of the Act and the Rules framed thereunder. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. A certificate issued under the Seal of the Company, if any, or signed by two Directors or by a Director and the Secretary, specifying the Shares held by any Person shall be prima facie evidence of the title of the Person to such Shares. Where the Shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.

(II) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment in case of Shares and 6 (six) months from the date of allotment in case of Debentures, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 17 above and in respect of a 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 of shares to the first named joint holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled but shall not be bound, to prescribe a charge not exceeding Rs. 20 (Rupees 20).

(III) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot. Where share certificates are issued in either more or less than marketable lots, sub-division or consolidation of share certificates into marketable lots shall be done free of charge.

(IV) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

## **19. UNDERWRITING AND BROKERAGE**



a. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

b. The Company may also, on any issue of shares or Debentures, pay such reasonable brokerage as may be lawful.

## **20. FURTHER ISSUE OF SHARE CAPITAL**

a. Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(I) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:

A. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

B. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in Article 20(a)(i)A above shall contain a statement of this right;

C. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.

(II) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(III) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in sub-articles (i) or Article (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules and such other conditions, as may be prescribed under Law.

b. The notice referred to in sub-clause A of Article 20(a)(i)(A) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

c. Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company.

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

d. The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act and the Rules.

## **21. NOMINATION BY SECURITIES HOLDERS**



a. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

b. Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

c. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

d. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

e. The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

## **22. NOMINATION FOR DEPOSITS**

A security holder may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

## **23. NOMINATION IN CERTAIN OTHER CASES**

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

## **24. BORROWING POWERS**

a. Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(I) accept or renew deposits from Shareholders;

(II) borrow money by way of issuance of Debentures ;



(III) borrow money otherwise than on Debentures;

(IV) accept deposits from Shareholders either in advance of calls or otherwise; and

(V) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

b. Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board (not by circular resolution) shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company (including its uncalled Capital), both present and future. and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

c. Subject to the applicable provisions of the Act and these Articles, any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

d. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board. Company shall have the power to keep in any state or country outside India a branch register of debenture holders resident in that state or country.

e. Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

f. The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

## **25. SHARE WARRANTS**

a. Share warrants may be issued as per the provisions of applicable Law.

b. Power to issue share warrants

The Company may issue share warrants subject to, and in accordance with the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up on application in writing signed by the persons registered as holder of the share, and authenticated, by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as



the Board may from time to time require, issue a share warrant.

**c. Deposit of share warrant**

(I) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

(II) Not more than one person shall be recognised as depositor of the share warrant.

(III) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

**d. Privileges and disabilities of the holders of share warrant**

(I) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.

(II) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of Members as the holder of the share included in the warrant, and shall be a Member of the Company.

**e. Issue of new Share Warrant or Coupon**

The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

**26. CONVERSION OF SHARES INTO STOCK AND RE-CONVERSION**

a. The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

b. 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 privileges or advantages, (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.

c. Where the shares are converted into stock, such of the Articles 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.

**27. CAPITALISATION OF PROFITS**

The Company in General Meeting may, upon the recommendation of the Board, resolve :





a. that it is desirable to capitalize 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 Company's profit and loss account or otherwise, as available for distribution, and

b. that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

c. The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(I) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(II) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

(III) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

d. A securities premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

## **28. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE**

a. The Board shall give effect to a Resolution passed by the Company in pursuance of this Article 28.

b. Whenever such a Resolution as aforesaid shall have been passed, the Board shall :

(I) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

(II) generally do all acts and things required to give effect thereto.

c. The Board shall have full power :

(I) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

(II) to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

d. Any agreement made under such authority shall be effective and binding on all such shareholders.

## **29. ANNUAL GENERAL MEETING**

In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, subject to the provisions of the Act, not more than 15 (fifteen) months' gap shall elapse between the date of one Annual General Meeting and that of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.





### **30. WHEN ANNUAL GENERAL MEETING TO BE HELD**

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held.

### **31. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

a. Every Annual General Meeting shall be called during business hours as specified under the Act or Rules on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

b. Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the Registrar, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

### **32. NOTICE OF GENERAL MEETINGS**

a. Number of days' notice of General Meeting to be given : A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served. However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

(I) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company;

(II) Auditor or Auditors of the Company; and

(III) All Directors.

The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

b. Notice of meeting to specify place, etc., and to contain statement of business : Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

c. Contents and manner of service of notice and Persons on whom it is to be served : Every notice may be served by the Company on any Shareholder thereof either in writing or through electronic mode as prescribed in the Act and relevant Rules thereunder personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

d. Special Business : Subject to the applicable provisions of the Act, where any items of business to be transacted



at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special. In case of an Annual General Meeting of the Company, all business to be transacted thereat shall be deemed to be special with the exception of the business specified in Section 102 of the Act.

e. Resolution requiring Special Notice : With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

f. Notice of Adjourned Meeting when necessary : When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

g. Notice when not necessary : 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.

h. The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

### **33. REQUISITION OF EXTRAORDINARY GENERAL MEETING**

a. The Board may, whenever it thinks fit, call an Extraordinary General Meeting or it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

b. Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

c. Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty -one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

d. Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

e. No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

f. The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.

### **34. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT**



The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the meeting if convened by or upon the requisition of Members, shall stand dissolved but in case of any other Shareholders' Meeting shall be adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

### **35. CHAIRMAN**

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their members to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

### **36. CHAIRMAN CAN ADJOURN THE GENERAL MEETING**

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **37. DEMAND FOR POLL**

a. At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded in accordance with the Act, be decided in the manner set out in the Act. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

b. In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

c. If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

d. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutinizers as prescribed under the Act and Rules to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.



e. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith.

f. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

g. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

h. The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

### **38. PASSING RESOLUTIONS BY POSTAL BALLOT**

a. Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

b. Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

### **39. VOTES OF MEMBERS**

a. No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

b. Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

c. On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

d. A Shareholder 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, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

e. If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint - holders shall be entitled to be present at the meeting. Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

f. Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

g. Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

h. Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

i. An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

j. A Shareholder present by proxy shall be entitled to vote only on a poll.

k. Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.

l. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

m. 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. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

n. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

(I) The Company shall cause minutes of the proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose



with their pages consecutively numbered.

(II) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(III) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(IV) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(V) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(VI) Any such Minutes shall be evidence of the proceedings recorded therein.

(VII) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(VIII) The Company shall cause minutes to be duly entered in books provided for the purpose of:

A. the names of the Directors and Alternate Directors present at each General Meeting;

B. all Resolutions and proceedings of General Meeting.

o. All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

p. Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

q. The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, SEBI Listing Regulations or any other Law, if applicable to the Company.

#### **40. DIRECTORS**

a. The following shall be the First Directors of the Company:

- 1) D. PRASANNA
- 2) B. VENKATESHWARLU
- 3) J. ARUNKUMAR

a. Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing Special Resolution at a General Meeting. The Company shall also comply with the





provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

b. Subject to Article 41(a), Sections 149, 152 and 164 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors.

c. The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another Director.

#### **41. CHAIRMAN OF THE BOARD OF DIRECTORS**

a. The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

b. If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

#### **42. APPOINTMENT OF ALTERNATE DIRECTORS**

Subject to Section 161 of the Act, the Board shall be entitled to nominate an alternate director to act for a director of the Company during such director's absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "the Original Director") (subject to such person being acceptable to the Chairman) during the Original Director's absence. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

#### **43. CASUAL VACANCY AND ADDITIONAL DIRECTORS**

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 40. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

#### **44. DEBENTURE DIRECTORS**

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company, but shall automatically cease and vacate office as a Director if and when the Debentures are fully discharged.

#### **45. INDEPENDENT DIRECTORS**





The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Listing Regulations.

#### **46. NOMINEE DIRECTORS**

a. The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any Law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.

b. So long as any moneys remain owing by the Company to The Industrial Development Bank of India, Industrial Finance Corporation of India, The Industrial Credit and Investment Corporation of India Limited, The Industrial Reconstruction Corporation of India Limited, Life Insurance Corporation of India, General Insurance Corporation of India, National Insurance Company Limited, The Oriental Fire & General Insurance Company Limited, The New India Assurance Company Limited, United India Insurance Company Ltd., Karnataka State Industrial Investment and Development Corporation Ltd. or any State Financial Corporation or any Financial Institution owned or controlled by the Central Government or any State Government or the Reserve Bank of India or by two or more of them by Central Government themselves (each of the above and Unit Trust of India are hereinafter referred to as the Corporation) out of any loans/debentures, assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of any guarantee furnished by the Corporation on behalf of the Company and remaining outstanding, the Corporation shall have a right to appoint from time to time, any person as Director, Wholetime or non-Wholetime (which Director or Directors, is/are hereinafter referred to as 'Nominee Director/s') on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person in his or their places. The Board shall have no power to remove from the office of the Nominee Directors. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation. Subject as aforesaid, Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Directors of the Company.

#### **47. PERIOD OF HOLDING OF OFFICE BY NOMINEE DIRECTORS**

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said powers shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/ shares in the Company or on the satisfaction of liability of the Company arising out of any guarantee furnished by the Corporation.

#### **48. APPOINTMENT OF SPECIAL DIRECTORS**

On behalf of the Company, whenever Directors enter into a contract with any Government, Central, State or Local, any Bank or Financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever the Directors shall have, subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have right to appoint or nominate by notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy



which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

#### **49. NO QUALIFICATION SHARES FOR DIRECTORS**

A Director shall not be required to hold any qualification shares of the Company.

#### **50. REMUNERATION OF DIRECTORS**

a. Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

b. Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

c. The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

d. All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.

#### **51. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR**

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

#### **52. MISCELLANEOUS EXPENSES OF DIRECTORS**

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 : (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

#### **53. CONTINUING DIRECTORS**

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 40 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.



#### **54. DISQUALIFICATION AND VACATION OF OFFICE BY A DIRECTOR**

a. A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in section 164 and other relevant provisions of the Act. Further, on and after being appointed as a Director, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act.

b. Subject to the applicable provisions of the Act, the resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.

#### **55. RELATED PARTY TRANSACTIONS AND DISCLOSURE OF INTEREST**

The Company shall comply with the applicable provisions of the Act, Rules framed thereunder and other relevant provisions of Law in respect of related party transactions and the Directors shall comply with the disclosure of interest provisions under the Act.

#### **56. RETIREMENT OF DIRECTORS BY ROTATION**

a. At every Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation in accordance with section 152 of the Act (excluding Independent Directors), or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re- election.

b. The Directors to retire by rotation shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Provided that and to the extent permissible under the Act, the Managing Director, joint managing director, deputy managing director, manager or whole-time Director(s) appointed or such other directors nominated pursuant to Articles 44 and 46 hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

#### **57. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP**

a. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

b. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless :

(I) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(II) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

(III) he is not qualified or is disqualified for appointment;

(IV) a resolution whether Special or Ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act; or



(V) Section 162 of the Act is applicable to the case.

#### **58. MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER**

Subject to the provisions of Section 203 of the Act and other applicable provisions of the Act and of these Articles, the Board may appoint from time to time one or more of their Directors to be the Managing Director or joint managing director or whole time director or deputy managing director or manager of the Company on such terms and on such remuneration (in any manner, subject to it being permissible under the Act) partly as the Board may think fit in accordance with the applicable provisions of the Act and the Rules thereunder. Subject to the provisions of the Act, the Managing Director or Joint Managing Director or Whole-time Director or Deputy Managing Director or Manager of the Company so appointed by the Board shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors, but their appointment shall be subject to determination ipso facto if they cease from any cause to be a director or if the company in General Meeting resolve that their tenure of the office of Managing Director or Joint Managing Director or Whole-time Director or Deputy Managing Director or Manager be determined.

#### **59. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT**

a. Unless permitted under the Act, the Company however, shall not appoint or employ at the same time more than one of the following categories of management personnel namely, a managing director and manager.

b. The remuneration of a Managing Director/ whole time director or executive director or manager shall (subject to Sections 196, 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles and of any contract between him and the Company) be paid in the manner permitted under the Act.

#### **60. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director, whole time director(s), executive director(s) or managers for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary all or any of such powers.

#### **61. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING**

Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:

- a. to make calls on Shareholders in respect of money unpaid on their shares;
- b. to authorise buy-back of securities under Section 68 of the Act;
- c. to issue securities, including debentures, whether in or outside India;
- d. to borrow money(ies);
- e. to invest the funds of the Company;
- f. to grant loans or give guarantee or provide security in respect of loans; and
- g. any other matter which may be prescribed under the Act, Companies (Meetings of Board and its Powers)



Rules, 2014 and the SEBI Listing Regulations to be exercised by the Board only by resolutions passed at the meeting of the Board.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above. In respect of dealings between the company and its bankers the exercise by the company of the powers specified in clause (d) shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day to day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the restrictions on the powers of the Board under section 180 of the Act.

## **62. PROCEEDINGS OF THE BOARD OF DIRECTORS**

a. At least 4 (four) Board Meetings shall be held in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings.

b. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed under the Act, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

c. The Secretary, as directed by a Director, or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

d. The Board may meet either at the Office of the Company, or at any other location in India or outside India, as the Chairman may determine.

e. At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any urgent matters as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

f. At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

## **63. QUORUM FOR BOARD MEETING**

a. Quorum for Board Meetings

(I) Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the



number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.

(II) If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman.

#### **64. CASTING VOTE**

Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote. No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

#### **65. POWERS OF THE BOARD**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:

a. The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of association of the Company.

b. The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

(I) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

(II) Remit, or give time for repayment of, any debt due by a Director;

(III) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

(IV) Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

Provided further that prior permission of the Company in a General Meeting shall be required for making a contribution, in any Financial Year, to bonafide charitable and other funds in excess of an aggregate amount equivalent to 5 (five) % of the Company's average net profits for the 3 (three) immediately preceding Financial Years.

#### **c. Certain Powers of the Board**

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article and other provisions of the Act, it is hereby declared that the Directors shall have the following powers, that is to say, power:

(I) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the company.





(II) Payment out of Capital : To pay and charge to the capital account of the company any commission or interest lawfully payable thereout under the provisions of Sections 40(6) of the Act,

(III) To acquire property : Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights, privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they think fit, and in any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory,

(IV) To pay for property, etc. : At their discretion and subject to the provisions of the Act, to pay for any property, rights, or privileges acquired or services rendered in the Company either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the such amount credited as paid up thereon as may be agreed upon and any such bonds; debentures, mortgages or other securities may be either, specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(V) To secure contracts : To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

(VI) To accept surrender of shares : To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

(VII) To appoint Trustees : To appoint any person to accept and to hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

(VIII) To bring and defend actions : To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise payment or satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon.

(IX) To act in insolvency matters : To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(X) To give receipts : To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company.

(XI) To invest moneys: Subject to the provisions of Sections 179, 180 (1) (c), 185, and 186 of the Act, to invest, deposit and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

(XII) To provide for Personal Liabilities : To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety; for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale, and such other powers, provisions, covenants and agreements as shall be agreed upon.

(XIII) To authorise acceptances: To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give necessary authority for such purpose.

(XIV) To distribute bonus : To distribute by way of bonus amongst the staff of the Company a share in the





profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.

(XV) To provide for welfare of employees : To provide for the welfare of Directors or Ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions or funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 180 of the Act. To subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.

(XVI) To create reserve fund : Before recommending any dividend to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think, conducive to the interest of the company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the company or in the purchase or repayment of debentures or debenture- stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

(XVII) To appoint managers etc. : To appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they think fit.

(XVIII) To comply with local Laws: To comply with requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

(XIX) To delegate powers : Subject to Section 179 of the Act, from time to time and at any time to delegate to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys, and any such appointment or delegation may be made on such terms, and subject to such conditions as the Board may think fit, and the Board may at any time remove any persons so appointed and may annul any such delegation.

(XX) To authorise by power of attorney : At any time and from time to time by Power of Attorney (if so resolved



by the Board under the Seal of the Company), to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in the limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board thinks fit) be made in favour of the shareholders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly, or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain Powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the Powers, authorities and discretions for the time- being vested in them.

(XXI) To negotiate: Subject to Section 188 of the Act for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient.

(XXII) To make and vary Regulations : From time to time make, vary or repeal bye- laws for the regulation of the business of the Company, its officers and servants.

(XXIII) Amendments to Accounts: Subject to Section 130, the directors shall, if they consider it to be necessary and in the interest of the company, be entitled to amend the Audited Accounts of the company of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts effected by the directors in pursuance of this Article shall be placed before the members in General Meeting for their consideration and approval.

(XXIV) To formulate schemes, etc. : Subject to provisions of Law, the directors may formulate, create, institute or set up such schemes, trusts, plans or proposals as they may deem fit for the purpose of providing incentive to the officers, employees and workers of the company, including without limiting the generality of the foregoing, formulation of schemes for the subscription by the officers, employees and workers to shares in, or debentures of, the company.

## **66. COMMITTEES AND DELEGATION BY THE BOARD**

a. The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

b. Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

c. The meetings and proceedings of any such Committee of the Board consisting of more members shall be



governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

#### **67. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT**

a. All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

b. 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.

#### **68. PASSING OF RESOLUTION BY CIRCULATION**

a. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.

b. A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

#### **69. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD**

a. The Company shall prepare, circulate and maintain minutes of each Board Meeting in accordance with the Act and Rules and such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

b. The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

#### **70. THE SECRETARY**

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

#### **71. SEAL**



a. The Board may provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and if the Seal is provided for, the Board shall provide for the safe custody of the Seal for the time being.

b. Subject to Article 72 (a), the Board may, if a Seal is required to be affixed on any instrument, affix the Seal of the Company, to any instrument 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 2 (two) Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those 2 (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.

## **72. DIVIDEND POLICY**

a. The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

b. Subject to the provisions of Section 123 of the Act, the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

c. No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed, or out of both, and provided that the declaration of the Board as to the amount of the net profits shall be conclusive.

d. Subject to Section 123, the Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

e. Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

f. (I) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(II) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this Article as paid on shares.

(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 shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

g. Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such



shares or until such shares shall have been duly transferred to him.

h. Any one of several Persons who are registered as the joint -holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

i. Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

j. Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

k. Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint -holders of any Share(s) any one of them can give effectual receipts for any money (ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands, shall for the purposes of this Article be deemed to be joint-holders thereof.

l. No unpaid Dividend shall bear interest as against the Company.

m. Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set -off against such calls.

n. Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

### **73. UNPAID OR UNCLAIMED DIVIDEND**

a. Subject to the provisions of the Act, if the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank.

b. Subject to provisions of the Act, any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".

c. Subject to the provisions of the Act, no unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.





## **74. ACCOUNTS AND BOARD'S REPORT**

- a. The Company shall prepare and keep the books of accounts or other relevant books and papers and financial statements for every Financial Year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under applicable Law.
- b. In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' as to the state of the Company's affairs and as to the amounts, if any, which it proposes to carry to any reserves in such balance sheet and the amount, if any, which it recommends should be paid by way of dividend; and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report. The Board shall also give the fullest information and explanations in its report aforesaid or in an addendum to that report, on every reservation, qualification or adverse remark contained in the auditor's report and by the company secretary in practice in his secretarial audit report.
- c. The Company shall comply with the requirements of Section 136 of the Act.

## **75. DOCUMENTS AND NOTICES**

- a. A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post or by registered post or by courier, to him to his registered address.
- b. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- c. A document or notice may be given or served by the Company to or on the joint - holders of a Share by giving or serving the document or notice to or on the joint- holder named first in the Register of Members in respect of the Share.
- d. Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- e. Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, Photostat or lithographed.
- f. All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- g. Where a document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that



documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.

#### **76. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

#### **77. NOTICE BY ADVERTISEMENT**

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

#### **78. WINDING UP**

a. 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 Shareholders, 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.

b. 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 Shareholders or different classes of Shareholders.

c. 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.

#### **79. INDEMNITY**

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.

#### **80. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS**

Subject to the provision of the Act, no Director, Manager or Officer of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager or Officer or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the directors or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof, unless the same shall happen through the negligence, default, misfeasance, breach of duty or breach of trust of the relevant Director, Manager or Officer.

#### **81. SIGNING OF CHEQUES**

Subject to applicable Law and Section 64 of the Act, all cheques, promissory notes, drafts, bills of exchange,





and other negotiable instruments, and all receipts for moneys paid by the company, shall be signed, drawn, accepted or otherwise executed as the case may be, in such manner as the Directors shall from time to time by resolution determine.

## **82. INSPECTION BY SHAREHOLDERS**

The register of charges, register of investments, Register of Members, books of accounts and the minutes of the meeting of the shareholders shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

## **83. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Company may amend its Memorandum of Association and Articles of Association subject to Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time.

## **84. SECRECY OF WORKS OR INFORMATION**

No shareholder shall be entitled to visit or inspect the Company's work without permission of the Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

## **85. DUTIES OF THE OFFICER TO OBSERVE SECRECY**

Every Director, Managing Directors, manager, Secretary, Auditor, trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Directors before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company with its customers and the state of accounts with individuals and all manufacturing, technical and business information of the company and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law a except so far as may be necessary in order to comply with any of the provision of these Articles or Law.

## **86. AUTHORIZATIONS**

a. Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein).

b. If pursuant to the approval of these Articles, if the Act requires any matter any matter previously requiring a special resolution is, pursuant to such amendment, required to be approved by an ordinary resolution, then in such a case these Articles hereby authorize and empower the Company and its Shareholders to approve such matter by an ordinary resolution without having to give effect to the specific provision in these Articles requiring a special resolution to be passed for such matter.



## 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 our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus to be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Plot No.E-30, IInd Floor, IInd Avenue Besant Nagar, Chennai - 600090, Tamil Nadu, India, from date of filing Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### MATERIAL CONTRACTS TO THE ISSUE

1. Issue Agreement/ Memorandum of Understanding dated December 20, 2023 between our company and the Book Running Lead Manager.
2. Agreement dated December 20, 2023, between our company and the Registrar to the Issue.
3. Public Issue Account agreement dated [●] among our Company, the Book Running Lead Manager, the Public Issue Bank/Banker to Issue, and the Registrar to the Issue.
4. Underwriting Agreement dated December 20, 2023 between our Company and the Underwriter.
5. Market Making Agreement dated December 20, 2023 between our Company, the Book Running Lead Manager and the Market Maker.
6. Tripartite agreement dated September 22, 2023 among NSDL, our Company and the Registrar to the Issue.
7. Tripartite agreement dated September 18, 2023, among CDSL, our Company and the Registrar to the Issue.

#### MATERIAL DOCUMENTS TO THE ISSUE

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated September 09, 2009, fresh certificate of incorporation dated October 06, 2023, pursuant to name change and certificate dated November 17, 2023 consequent to conversion of our Company to a public limited company.
3. Resolution of the Board of Directors dated December 11, 2023 authorising the Issue.
4. Resolution of the shareholders dated December 15, 2023, under section 62(1)(c) of the Companies Act, 2013 authorising the Issue.
5. Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, the Book Running Lead Manager, Registrar to the Issue, Peer review Auditor, Legal Advisor and Market Maker to act in their respective capacities.
6. Peer Review Auditors Report dated December 22, 2023 on Restated Financial Statements of our Company for the period ended October 31, 2023 and the years ended March 31, 2023, 2022 and 2021.
7. Statement of tax benefits from M/s P P N and Company, Chartered Accountants dated December 22, 2023.
8. The Report dated December 26, 2023 by Legal Advisor to the Company confirming status of Outstanding Litigation and Material Development.
9. Copy of approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on Emerge Platform of NSE.
10. Due Diligence Certificate submitted to SEBI dated [●] from Book Running Lead Manager to the Issue.



11. Key Performance Indicator Certificate provided by M/s P P N and Company, Chartered Accountant dated December 22, 2023.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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## SECTION XI - DECLARATION

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

Signed by the Directors of our Company				
Sr. No.	Name	Category	Designation	Signature
1.	Mr. D Prasanna	Executive	Chairman, Managing Director, Chief Executive Officer	Sd/-
2.	Mr. B Venkateshwarlu	Executive	Joint Managing Director	Sd/-
3.	Mr. Vasanth D	Executive	Whole Time Director	Sd/-
4.	Mrs. D Bhagyavathy	Non-Executive	Director	Sd/-
5.	Mrs. Priya Rao	Non-Executive	Independent Director	Sd/-
6.	Mr. C Rajendran	Non-Executive	Independent Director	Sd/-
7.	Mr. Rajan Ethiraja	Non-Executive	Independent Director	Sd/-
Signed by the Chief Financial Officer and Company Secretary of our Company				
8.	Ms. Priyanka Singh	Full-time	Company Secretary and Compliance Officer	Sd/-
9.	Mr. B Venkateshwarlu	Full-time	Chief Financial Officer	Sd/-

**Place: Chennai**

**Date: January 06, 2024**

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