



## Desco Infratech Limited

CIN: U45201GJ2011PLC063710

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
A-703, Swastik Universal, Next to Valentine Theatre, Dumas Road, Umra, Surat, Gujarat- 395007 India.	N.A.	Ms. Gandharva Javanika, Company Secretary and Compliance Officer	<b>Email:</b> <a href="mailto:investors@descoinfra.co.in">investors@descoinfra.co.in</a> <b>Telephone:</b> +91 7574 999 097	<a href="http://www.descoinfra.co.in">www.descoinfra.co.in</a>

**THE PROMOTERS OF OUR COMPANY ARE MS. INDIRABEN PRUTHUBHAI DESAI, MR. PANKAJ PRUTHU DESAI, MS. HINA PANKAJ DESAI, MR. MALHAR P DESAI AND MR. SAMARTH PANKAJ DESAI**

**DETAILS OF ISSUE TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS**

TYPE	FRESH ISSUE	SIZE OF OFFER FOR SALE	OF FOR	TOTAL ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs
Fresh Issue	Up to 20,50,000 Equity Shares aggregating up to [●] Lakhs	N.A.		Up to 20,50,000 Equity Shares aggregating up to [●] Lakhs	The Issue is being made in Terms of Regulation 229 (1) of the SEBI ICDR Regulations. For details in relation to share reservation among QIBs, Non-Institutional Bidders and Retail Individual Bidder, see "Issue Structure" beginning on page 317 of this Draft Red Herring Prospectus.

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

**RISKS IN RELATION TO THE FIRST ISSUE**

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of Equity Shares is ₹ 10/- each. The Floor Price, Cap Price and Issue Price (determined by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of Book Building Process as stated in "Basis for Issue Price" beginning on page 115 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.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the issue unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the issue. For taking an investment decision, Bidders 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 "Risk Factors" on page 36 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 the Draft Red Herring Prospectus are proposed to be listed on SME Platform of BSE ("BSE SME"). Our Company has received "In-Principle" approval from the BSE SME for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Issue, the Designated Stock Exchange shall be BSE.

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>Smart Horizon Capital Advisors Private Limited</b> <i>(Formerly known as Shreni Capital Advisors Private Limited)</i>	Mr. Parth Shah	<b>E-mail:</b> <a href="mailto:director@shcapl.com">director@shcapl.com</a>  <b>Telephone:</b> 022-28706822

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>BIGSHARE SERVICES PVT LTD</b>	Mr. Babu Rapheal C.	<b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>  <b>Telephone:</b> 022 - 6263 8200

**BID/ISSUE PROGRAMME**

<b>ANCHOR INVESTOR BID/ ISSUE PERIOD:</b> [●] *	<b>BID/ISSUE OPENS ON:</b> [●] *	<b>BID/ ISSUE CLOSURES ON:</b> [●] **
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\*Our Company in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

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

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## DESCO INFRA TECH LIMITED

Our Company was originally incorporated under the name “*Desco Infratech Private Limited*” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 19, 2011, issued by the Registrar of Companies Gujarat. Subsequently, the status of the Company was changed to public limited and the name of our Company was changed to “*Desco Infratech Limited*” vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on June 01, 2024. The fresh certificate of incorporation consequent to conversion was issued on July 26, 2024, by Centralised Processing Centre. The Corporate Identification Number of our Company is U45201GJ2011PLC063710.

**Registered Office:** A-703, Swastik Universal, Next to Valentine Theatre,  
Dumas Road, Umra, Surat, Gujarat- 395007 India.; **Tel No:** +91 7574 999 097;

**E-mail:** [investors@descoinfra.co.in](mailto:investors@descoinfra.co.in) ;

**Website:** [www.descoinfra.co.in](http://www.descoinfra.co.in); **Contact Person:** Ms. Gandharva Javanika, Company Secretary and Compliance Officer;

### THE PROMOTERS OF OUR COMPANY ARE MS. INDIRABEN PRUTHUBHAI DESAI, MR. PANKAJ PRUTHU DESAI, MS. HINA PANKAJ DESAI, MR. MALHAR P DESAI AND MR. SAMARTH PANKAJ DESAI

INITIAL PUBLIC OFFER OF UPTO 20,50,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (THE “EQUITY SHARES”) OF DESCO INFRA TECH LIMITED (“OUR COMPANY” OR “DESCO” 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 UPTO [●] 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 UPTO [●] 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 [●] % AND [●] % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10/- EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. 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 ENGLISH NATIONAL DAILY NEWSPAPER, [●], ALL EDITIONS OF HINDI NATIONAL DAILY NEWSPAPER, [●], AND ALL EDITIONS OF THE DAILY REGIONAL NEWSPAPER, [●], (WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO SME PLATFORM OF BSE (“BSE SME”), FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITE IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS, AS AMENDED.

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least Three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the Book Running Lead Manager for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of One 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 Exchange by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Banks, as applicable.

### THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE

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”), provided that our Company in consultation with the BRLM may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (“Net 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, other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% 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 Potential Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising 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. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, please refer to the chapter titled “*Issue Procedure*” on page 321 of this Draft Red Herring Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each. The Floor Price, Cap Price and Issue Price (determined by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in “*Basis for Issue Price*” beginning on page 115 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.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Bidders 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 “*Risk Factors*” on page 36 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 offered through this Draft Red Herring Prospectus are proposed to be listed on SME Platform of BSE (“BSE SME”), 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 BSE for using its name in this offer document for listing our shares on the SME Platform of BSE (“BSE SME”). For the purpose of this Issue, the designated Stock Exchange is the BSE.

### BOOK RUNNING LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE

**SMART HORIZON**  
CAPITAL ADVISORS PVT. LTD.

**Bigshare Services Pvt. Ltd.**

**Smart Horizon Capital Advisors Private Limited**  
(Formerly known as Shreni Capital Advisors Private Limited)  
B/908, Western Edge II, Kanakia Space, Behind Metro Mall,  
Off Western Express Highway, Magathane, Borivali East,  
Mumbai – 400066, Maharashtra, India.  
**Telephone:** 022-2870682  
**E-mail:** [director@shcapl.com](mailto:director@shcapl.com)  
**Investors Grievance e-mail:** [investor@shcapl.com](mailto:investor@shcapl.com)  
**Contact Person:** Mr. Parth Shah  
**Website:** [www.shcapl.com](http://www.shcapl.com)  
**SEBI Registration Number:** INM000013183

**BIGSHARE SERVICES PRIVATE LIMITED**  
Office No. S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road, Andheri East,  
Mumbai – 400 093, Maharashtra, India  
**Tel:** 022 - 6263 8200  
**E-mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor grievance e-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact Person:** Mr. Babu Rapheal C.  
**SEBI Registration No.:** INR000001385

### ISSUE PROGRAMME

**ANCHOR INVESTOR BID/ISSUE PERIOD:** [●] \* **BID/ISSUE OPENS ON:** [●] \* **BID/ISSUE CLOSES ON:** [●] \*\*

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

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

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Possible Tax Benefits*”, “*Restated Financial Statements*”, “*Outstanding Litigations and Material Developments*”, “*Key Industry Regulations and Policies*” and section titled “*Main Provisions of the Articles of Association*” on page 122, 220, 270, 175 and 346 respectively of this Draft Red Herring Prospectus, shall have the meanings ascribed to such terms in the respective sections.

#### GENERAL TERMS

Term	Description
“Desco”, “DIL”, “the Company”, “our Company”, “The Issuer” and “Desco Infratech Limited”	Desco Infratech Limited, a company incorporated in India under the Companies Act, 1956 having its Registered office at A-703, Swastik Universal, Next to Valentine Theatre, Dumas Road, Umra, Surat, Gujarat-395007, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue

#### COMPANY RELATED TERMS

Term	Description
AOA / Articles / Articles of Association	The Articles of Association of Desco Infratech Limited as amended from time to time.
Audit Committee	The Audit Committee of our Company, constituted on September 26, 2024 in accordance with Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 196 of this Draft Red Herring Prospectus
Auditors/ Statutory Auditors and Peer Review Auditors	The Statutory Auditors of our Company, currently being M/s K.A. Sanghavi and Co. LLP having their office at 1001,1002,1003, Rajhans Bonista, Ram Chowk, Ghod Dod Road, Surat-395007, Gujarat.
Bankers to the Company	Yes Bank Limited
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 196 of this Draft Red Herring Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Mr. Pankaj Pruthi Desai
Chief Financial Officer/CFO	The Chief Financial Officer of our Company being Ms. Prinkle Jain
CIN	Corporate Identification Number of our Company i.e., U45201GJ2011PLC063710
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Gandharva Javanika

<b>Term</b>	<b>Description</b>
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹10/- each fully paid-up
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Directors	Managing Directors, Whole Time Directors and other Executive Directors of our Company.
Group Company	In terms of SEBI ICDR Regulations, the term “ <i>Group Company</i> ” includes companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, any other companies as considered material by our Board, in accordance with the Materiality Policy and as disclosed in chapter titled “ <i>Our Group Company</i> ” beginning on page 217 of this Draft Red Herring Prospectus
Independent Director(s)	Independent Directors on the Board, and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI LODR Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 196 of this Draft Red Herring Prospectus
ISIN	International Securities Identification Number. In this case being INE0TGG01014
Key Management Personnel / KMP	Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 196 of this Draft Red Herring Prospectus
Key Performance Indicators” or “KPIs”	Key financial and operational performance indicators of our Company, as included in “ <i>Basis for Issue Price</i> ” beginning on page 115.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 26, 2024 in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
Managing Director	The Managing Director of our Company being Mr. Pankaj Pruthu Desai
MOA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on September 26, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 196 of this Draft Red Herring Prospectus
Non-Executive Director	A Director not being an Executive Director or is an Independent Director
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter(s)	Shall mean promoters of our Company i.e., Ms. Indiraben Pruthubhai Desai, Mr. Pankaj Pruthu Desai, Ms. Hina Pankaj Desai, Mr. Malhar P Desai and Mr. Samarth Pankaj Desai. For further details, please refer to section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 196 of this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 196 of this Draft Red Herring Prospectus.
Registered Office	The Registered Office of our Company situated at A-703, Swastik Universal, Next to Valentine Theatre, Dumas Road, Umra, Surat, Gujarat, India, 395007.

<b>Term</b>	<b>Description</b>
Restated Financial Statements	Restated Financial Statements for the Financial Years ended on 2024, 2023 and 2022 (prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act 2013, as amended, the SEBI ICDR Regulations, as amended and the Guidance Note on “ <i>Reports in Company Prospectuses (Revised 2019)</i> ” issued by ICAI, as amended) which comprises the restated summary Statement of Assets & Liabilities, the restated summary Statement of Profit and Loss, the restated summary Statement of Cash Flows and restated statement of change in equity along with all the schedules, annexures and notes thereto
RoC/ Registrar of Companies	Registrar of Companies, Ahmedabad, RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad, Gujarat-380013, India.
Senior Management	Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 196 of this Draft Red Herring Prospectus
Shareholders	Shareholders of our Company
Stock Exchange	Unless the context requires otherwise, refers to, BSE
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA & AOA being Mr. Pankaj Pruthubhai Desai and Ms. Indiraben Pruthubhai Desai
Stakeholders Relationship Committee	The Stakeholders’ Relationship Committee of our Company, constituted on September 26, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 196 of this Draft Red Herring Prospectus
Whole Time Director	Whole Time Director of our Company being Mr. Malhar P Desai

#### KEY PERFORMANCE INDICATORS

<b>Key Financial Performance</b>	<b>Explanations</b>
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of the business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Return on Equity Ratio	Return on equity (ROE) is a measure of financial performance
Debt-Equity Ratio	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Current Ratio	The current ratio is a liquidity ratio that measures our company’s ability to pay short-term obligations or those due within one year

#### ISSUE RELATED TERMS

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful applicants.



<b>Term</b>	<b>Description</b>
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allotment Date	Date on which allotment is made
Allottee (s)	The successful bidder to whom the Equity Shares are being / have been allotted.
Anchor Investor	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/Issue Period or Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.  One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Red Herring Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Application Form	The form in terms of which the Applicant shall make an Application, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus
ASBA Bidders	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form including through UPI mode (as applicable).

<b>Term</b>	<b>Description</b>
ASBA Form	A bid cum application form, whether physical or electronic, used by ASBA bidders, which will be considered as the bid for Allotment in terms of the Draft Red Herring Prospectus.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker(s) to the Issue and Sponsor Bank Agreement	Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker of the Issue and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “ <i>Issue Procedure</i> ” on page 321 of this Draft Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid / Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper)  Our Company, in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper).

<b>Term</b>	<b>Description</b>
Bid/ Issue Period	<p>Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company, in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of one Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days</p>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of this Draft Red Herring Prospectus.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e., Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	The Book Running Lead Manager to the Issue, namely, Smart Horizon Capital Advisors Private Limited ( <i>Formerly known as Shreni Capital Advisors Private Limited</i> )
Broker Centers	Broker Centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
BSE SME	SME Platform of BSE (BSE SME)
Business Day	Monday to Friday (except public holidays).
CAN / Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, on or after the Anchor Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, i.e., ₹ [●] per Equity Share
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.

<b>Term</b>	<b>Description</b>
Cut-off Price	The Issue Price finalised by our Company in consultation with the Book Running Lead Manager which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-Issue Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of this Draft Red Herring Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant 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 i.e., <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Intermediaries / Collecting Agent	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the issue.  In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.  In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated Market Maker	[●] 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.
Designated Stock Exchange	BSE SME
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated September 30, 2024 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation including any addenda or corrigenda thereto.

<b>Term</b>	<b>Description</b>
Eligible FPI(s)	FPI(s) that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Application Form and the Prospectus constitutes an invitation to purchase the Equity Shares
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Equity Shares	Equity Shares of our Company of face value ₹ 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
Escrow Account	Accounts opened with the Banker to the Issue
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number.
IPO/ Issue/ Issue Size/ Public Issue	This Initial Public Offer of up to 20,50,000 Equity Shares for cash at an Issue Price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
Issue Agreement	The agreement dated September 26, 2024 entered amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date after which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Opening Date	The date on which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]

<b>Term</b>	<b>Description</b>
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being ₹ [●] per equity share.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their applications.
Issue Size	The Public Issue of up to 20,50,000 Equity shares of ₹10/- each at issue price of ₹ [●] per Equity share, including a premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” page 104 of this Draft Red Herring Prospectus
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of Upto [●] Equity Shares of ₹10 each at an Issue price of ₹ [●] each aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue.
Mobile App(s)	The mobile applications listed 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 updated from time to time, which may be used by UPI applicants to submit Applications using the UPI Mechanism. The mobile applications which may be used by UPI applicants to submit Applications using the UPI Mechanism as provided under ‘Annexure A’ for the SEBI number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to [●] equity Shares of ₹ 10.00 each at a price of ₹ [●] per Equity Share (the “ <b>Issue Price</b> ”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The proceeds from the Issue less the Issue related expenses applicable to the Fresh Issue.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non-Institutional Investors/ Applicant	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
Non-Resident/NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable

<b>Term</b>	<b>Description</b>
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Public Issue Bank	The banks which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Issue Account for collection of Application Amounts from ASBA Accounts will be opened, in this case being [●]
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto
Refund Account (s)	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Registrar/ Registrar to the Issue/RTA/ RTI	Registrar to the Issue being Bigshare Services Private Limited
Registrar Agreement	The agreement dated September 26, 2024 entered into between our Company, and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors/RIIs	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>Term</b>	<b>Description</b>
Registered Broker	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s)
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SCORES	SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
Self-Certified Syndicate Bank(s) / SCSB(s)	<p>The banks registered with SEBI, offering services, (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and (ii) in relation to ASBA through the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.</p> <p>In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <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> and updated from time to time.</p> <p>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, UPI Bidders using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the 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> and <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> respectively, as updated from time to time</p>
SME Exchange	SME Platform of the BSE i.e., BSE SME
Specified Locations	The Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders and in case of RIBs only ASBA Forms with UPI
Sponsor Bank	Shall mean a Banker to the Issue registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the retail investors into the UPI.
Syndicate Agreement	Syndicate agreement to be entered into between our Company, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate.
Syndicate Member(s)	Intermediaries (other than the Book Running Lead Manager) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Issue, namely [●]



<b>Term</b>	<b>Description</b>
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
Underwriters	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] entered between the Underwriters, BRLM and our Company.
Unified Payments Interface (UPI)	UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two person's bank accounts using a payment address which uniquely identifies a person's bank Account.
UPI Bidders	Collectively, individual investors applying as Retail Individual Bidders in the Retail Portion, and individuals applying as Non-Institutional Bidders with a Bid Amount of up to ₹500,000 in the Non-Institutional Portion.  Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a Syndicate Member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), the SEBI Master Circular for Issue of Capital and Disclosure Requirements, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment

<b>Term</b>	<b>Description</b>
UPI mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Day	Any day, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Bid / Issue Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars

#### **INDUSTRY RELATED TERMS**

<b>Term</b>	<b>Description</b>
AEC	Architecture, Engineering, And Construction
ASN	Advanced Shipment Notice
AIC	Atal Incubation Centre
AIDef	AI in Defence
AIFs	Alternative Investment Funds
BFSI	Banking, Financial Services, and Insurance
BGs	Bank Guarantees
BOT	Build-Operate-Transfer
BOQ	Bill of quantities
CAD	Current account deficit
CAGR	compound annual growth rate
CAZRI	Central Arid Zone Research Institute
CEPA	Comprehensive Partnership Agreement
CGSS	Credit Guarantee Scheme for Start-ups
CGD	City Gas Distribution
CPI	Consumer Price Index
CSA	Cyber Security Agency of Singapore
DII	Domestic Institutional Investors
DNTs	Denotified/Nomadic/SemiNomadic tribal communities
DoS	Department of Space
DPA	Deendayal Port Authority
DPIIT	Department for Promotion of Industry and Internal Trade
DPP	Defence Procurement Procedure
EAC	Experts' Advisory Committee
EPFO	The Employees' Provident Fund Organisation
ESDM	Electronics System Design and Manufacturing
ETPs	Effluent Treatment Plant
FDI	Foreign Direct Investment
FII	Foreign Institutional Investors
FRE	First Revised Estimates
FTAs	Free Trade Agreements
GAIL	Gas Authority of India Limited
GDP	Gross Domestic Product

<b>Term</b>	<b>Description</b>
COO	Chief Operating Officer
G-secs	Government Securities
GST	Goods and Services Tax
GVA	Gross value added
HDPE	High-Density Polyethylene
HFI	High-Frequency Indicators
HSN	Harmonized System of Nomenclature
HR	Human resource
HT	High Tension
ICAR	Indian Council of Agricultural Research
ICEA	Indian Cellular and Electronics Association
IDRCL	India Debt Resolution Co. Ltd
IEA	International Energy Agency
IIP	Index of Industrial Production
IISR	Indian Institute of Spices Research
IndAus ECTA	India-Australia Economic Cooperation and Trade Agreement
IOCL	Indian Oil Corporation Limited
IOT	Internet of Things
LOA	Letter of Award
LMT	lakh metric tonnes
LT	Low Tension
MDPE	Medium Density Polyethylene
MeghEA	Meghalaya Enterprise Architecture Project
MeitY	Ministry of Electronics, and Information Technology
MFP	Mega Food Parks
MITRA	Mega Investment Textiles Parks
MMS	Module Mounting Structure
MMSCM	million metric tonnes
MMTPA	Million Metric Tons Per Annum
MMF	man-made fibre
MoSPI	Ministry of Statistics & Programme Implementation
MoU	Memorandum of Understanding
MRO	Maintenance Repair & Overhaul
M-SIPS	Modified Special Incentive Scheme
NABARD	National Bank for Agriculture and Rural Development
NaBFID	National Bank for Financing Infrastructure and Development
NARCL	National Asset Reconstruction Company Limited
Non-OPEC	Organization of the Petroleum Exporting Countries
NPST	Network People Services Technologies
ONGC	Oil and Natural Gas Corporation
O&M Services	Operation and Maintenance services
PECF	Pondicherry Engineering College Foundation
PHH	Primary Household
PLI	production linked incentive
PMGKAY	Pradhan Mantri Garib Kalyan Ann Yojana
PMI	Purchasing Manager Index
PMJDY	Pradhan Mantri Jan Dhan
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PNGRB	The Petroleum and Natural Gas Regulatory Board
PNG	Piped Natural Gas
PO	Purchase Order
PPP	Public-Private Partnership

<b>Term</b>	<b>Description</b>
PR	Public Relations
RBI	Reserve Bank of India
RCC	Reinforced concrete
RFQs	Requests for Quotations
ROI	Return on Investment
SDLs	State Development Loans
SEBI	Securities and Exchange Board of India
SOPs	Standard operating procedures
STT	Short-term Training
TTDF	Telecom Technology Development Fund
USOF	Universal Service Obligation Fund
USV	Unmanned Surface Vehicle
WEO	World Economic Outlook
SEZ	Special Economic Zone
YoY	year-over-year
IOT	Internet of Things
FICCI	Federation of Indian Chambers of Commerce and Industry
M-SIPS	Modified Special Incentive Scheme
CIPET	Central Institute of Plastics Engineering & Technology
IPCC	International Panel on Climate Change
UNEP	United Nations Environment Programme
GIDC	Gujarat Infrastructure Development Corporation

#### **CONVENTIONAL TERMS /ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
BSE	BSE Limited
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
Banking Regulation Act	The Banking Regulation Act, 1949
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note

<b>Term</b>	<b>Description</b>
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I Foreign Portfolio Investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II Foreign Portfolio Investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Alternate Investment Fund / Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CA	Chartered Accountant
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CFA	Chartered Financial Analyst
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CIBIL	Credit Information Bureau (India) Limited
CST	Central Sales Tax
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CWA/ICWA/CMA	Cost and Works Accountant
CMD	Chairman and Managing Director
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee’s State Insurance Corporation
EPFO	Employees’ Provident Fund Organization
EPF Act	The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy

<b>Term</b>	<b>Description</b>
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GOI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI/ICMAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees/Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
i.e.	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
Ltd.	Limited
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering

<b>Term</b>	<b>Description</b>
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association
NA	Not Applicable
Networth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRI	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Order Book	Order book consists of ongoing and upcoming projects of our Company.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time

<b>Term</b>	<b>Description</b>
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI (PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds as defined under the SEBI AIF Regulations
VAT	Value Added Tax
w.e.f.	With effect from
WIP	Work in process
Willful Defaulter	An entity or person categorized as a willful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(III) of the SEBI ICDR Regulations
YoY	Year over Year

*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 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, terms in “Description of Equity Shares and Terms of the Articles of Association”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Information of our Company”, “Outstanding Litigations and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.*



## PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

All references in this Draft Red Herring Prospectus to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government', 'Indian Government', 'GoI', 'Central Government' or the 'State Government' are to the GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus. In this Draft Red Herring Prospectus, our Company has presented numerical information in "lakhs" units. One lakh represents 1,00,000.

### FINANCIAL DATA

Unless stated otherwise, the financial statements in this Draft Red Herring Prospectus are derived from our Restated Financial Statements. The Restated Financial Statements comprises of the restated statement of assets and liabilities for the financial years ended March 31, 2024, March 31, 2023, March 31, 2022 and the restated statement of profit and loss, the restated statement of cash flows and the restated statement of changes in equity for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the summary of significant accounting policies and explanatory notes, prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended; the SEBI ICDR Regulations, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further information, see please refer section titled "*Restated Financial Statements*" beginning on page 220 of this Draft Red Herring Prospectus.

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 figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

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 Restated 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, the Companies Act, Ind AS, and the SEBI ICDR Regulations. 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.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 36, 143125 and 261 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the "*Restated Financial statements*" of our Company as beginning on page 220 of this Draft Red Herring Prospectus.

## CURRENCY AND UNITS OF PRESENTATION

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America, EUR or “€” are Euro currency.

All references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “Million” means “Ten Lakhs” and the word “Crore” means “Ten Million” and the word “Billion” means “One thousand Million”.

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 figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

## EXCHANGE RATES

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate or at all.

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

Currency	Exchange Rate as on March 31, 2024	Exchange Rate as on March 31, 2023	Exchange Rate as on March 31, 2022
1 USD	83.37	82.22	75.81
1 Euro	90.22	89.61	84.66

*Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day has been disclosed. The reference rates are rounded off to two decimal places.*

Source: <https://www.rbi.org.in/scripts/referenceratearchive.aspx>

## DEFINITIONS

For definitions, please refer the chapter titled “*Definitions and Abbreviations*” beginning on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 346 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## INDUSTRY AND MARKET DATA

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Red Herring Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government 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 and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Any slowdown or shutdown in our operations;
- Fluctuations in the costs of labour, equipment, and interest rates.
- Failure to acquire new consumers or retain existing customers or fail to do so in a cost-effective manner;
- Inability to accurately manage our inventory, this may adversely affect our goodwill and business, financial condition and results of operations;
- Our ability to attract and retain qualified personnel;
- Orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations;
- Conflict of interests between our Company and other venture or enterprises promoted by our promoter or directors;
- Volatility of loan interest rates and inflation;
- Natural calamities, climate change and health epidemics could adversely affect the Indian economy and our business, financial condition, and results of operations;
- Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, financial condition and results of operations;

- A slowdown in economic growth in India could cause our business to suffer;
- Expanding into new states or business segments
- Fraud or improper employee conduct.
- Our inability to maintain or improve our brand image;
- Global economic conditions which may have an adverse effect on our business, financial condition, results of operations and prospects;

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*” and chapter titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 36,143, and 261 of this Draft Red Herring Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views 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 and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Syndicate Members nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Equity Shares pursuant to the Issue.

## SECTION II - SUMMARY OF OFFER DOCUMENT

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus, when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Restated Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Outstanding Litigation and Material Developments”, “Issue Procedure” and “Main Provisions of the Articles of Association” on pages 36, 68, 84, 104,217, 220 ,270 and on page 346 respectively.

### SUMMARY OF OUR BUSINESS

Our Company is mainly engaged in providing infrastructure and maintenance services to city gas distribution divisions in India. We engage in activities such as pipeline laying, installation, testing, erection and commissioning for Piped Natural Gas (PNG) utilized by both domestic and commercial users and in its operation and maintenance services. Our Company has recently begun offering services in the power distribution projects relating to connectivity, commissioning, and erection of Low Tension (LT) and High Tension (HT) cables, in water distribution projects by offering by designing and constructing water distribution networks, open wells, sump wells, overhead tanks, and well systems and in the renewable energy sector by providing erection of reinforced concrete (RCC) piles for foundational and structural support, along with the installation of structures and solar modules for energy capture.

For more details, please refer chapter titled “Our Business” beginning on page on page 143 of this Draft Red Herring Prospectus.

### SUMMARY OF OUR INDUSTRY

The infrastructure sector is a key driver of the Indian economy. The sector is highly responsible for propelling India’s overall development and enjoys intense focus from the Government for initiating policies that would ensure the time-bound creation of world-class infrastructure in the country. The infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. In other words, the infrastructure sector acts as a catalyst for India’s economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure, and construction development projects.

For more details, please refer chapter titled “Industry Overview” beginning on page on page 125 of this Draft Red Herring Prospectus.

### OUR PROMOTERS

The promoters of our Company are Ms. Indiraben Pruthubhai Desai, Mr. Pankaj Pruthu Desai, Ms. Hina Pankaj Desai, Mr. Malhar P Desai and Mr. Samarth Pankaj Desai.

### SIZE OF ISSUE

The following table summarizes the details of the Issue. For further details, see “The Issue” and “Issue Structure” beginning on pages on page 68 and on page 317, respectively.

<b>Present Issue of Equity Shares by our Company</b>	Up to 20,50,000 Equity shares of face value of ₹10/- each for cash at a price of ₹ [●] per Equity shares (including a premium of [●] per Equity Share) aggregating to ₹ [●] Lakhs*
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	Up to [●] Equity shares of face value of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs
<b>Net Issue</b>	Up to [●] Equity shares of face value of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs

\*The Issue has been authorized by our Board pursuant to resolutions passed at its meetings held on September 25, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on September 26, 2024.

The Issue and Net Issue shall constitute [●] % and [●] % of the post-Issue paid-up Equity Share capital of our Company.

## OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (“Objects of the Issue”):

(₹ in Lakhs)

Sr. No.	Particulars	Amount
1.	Funding of capital expenditure requirements of our Company	282.33
2.	Funding Working Capital Requirements of our Company	1,800.00
3.	General corporate purposes <sup>#</sup>	[●]
	<b>Total</b>	<b>[●]</b>

<sup>#</sup>The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.

For further details, please refer to chapter titled “Objects of the Issue” beginning on page on page 104 of this Draft Red Herring Prospectus.

## PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF OUR COMPANY

The aggregate pre-Issue shareholding of Promoters and Promoter Group as on the date of this Draft Red Herring Prospectus is set out below.

Category of Promoter	Pre-Issue	
	No. of Shares	% of Pre-Issue Capital
<b>Promoters</b>		
Ms. Indiraben Pruthubhai Desai	23,82,354	42.35%
Ms. Hina Pankaj Desai	9,00,000	16.00%
Mr. Malhar P Desai	6,08,832	10.82%
Mr. Samarth Pankaj Desai	6,08,814	10.82%
<b>Promoter Group</b>		
-	-	-
<b>Total</b>	<b>45,00,000</b>	<b>79.99%</b>

## SUMMARY OF RESTATED FINANCIAL STATEMENTS

The details are as follows:

(₹ in lakhs other than share data)

Particulars	For the year ended March 31		
	2024	2023	2022
Share Capital	27.78	25.00	25.00
Net worth <sup>#</sup>	1199.34	503.65	385.06
Total Revenue <sup>\$</sup>	2949.47	2928.21	1991.51
Profit after Tax	345.80	122.72	82.51
Earnings per share (Basic & diluted) (₹) (Post Bonus) <sup>@</sup>	6.21	2.21	1.48
Net Asset Value per Equity Share (₹) (Post Bonus) <sup>*</sup>	21.55	9.05	6.92
Total borrowings <sup>^</sup>	406.37	580.99	308.81

Notes:

<sup>#</sup>Net Worth = Restated Equity Share Capital plus Reserves and Surplus

<sup>\$</sup>Total Revenue = Restated Revenue from operations plus Restated Other Income

@ Earnings per share (Basic & diluted) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year

\*Net Asset Value per Equity Share = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year

^Total Borrowings = Restated Long-Term Borrowings Plus Restated Short-Term Borrowings

Notes:

- 1) Our Board of Directors pursuant to a resolution dated April 06, 2024 and shareholders pursuant to special resolution dated April 30, 2024 have approved the issuance of 11,569 Equity Shares pursuant to private placement basis.
- 2) Our Board of Directors pursuant to a resolution dated August 13, 2024 and shareholders pursuant to special resolution dated August 20, 2024 have approved the issuance of 23,209 Equity Shares pursuant to private placement basis.
- 3) Our Board of Directors pursuant to a resolution dated September 24, 2024 and shareholders pursuant to a resolution dated September 25, 2024 have approved the issuance of 53,13,452 Bonus Equity Shares in the ratio of 17 equity shares for every one existing fully paid-up Equity Shares held.

#### QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

#### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company, Directors, Promoters, Subsidiaries and Group Companies is provided below:

(₹ in Lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in Lakhs)
<b>Company</b>						
By the Company	NA	NA	NA	NA	NA	NA
Against the Company	2#	6	NA	NA	1	69.60
<b>Directors</b>						
By our Directors	NA	NA	NA	NA	NA	NA
Against the Directors	NA	NA	NA	NA	NA	NA
<b>Promoters*</b>						
By Promoters	NA	NA	NA	NA	NA	NA
Against Promoters	NA	26	NA	NA	NA	164.99
<b>Subsidiaries</b>						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA
<b>Group Companies</b>						

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in Lakhs)
By Group Companies	NA	NA	NA	NA	NA	NA
Against Group Companies	NA	NA	NA	NA	NA	NA

**Brief details of top 5 Criminal Case against our Promoters:**

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
1	<p><i>Complaint (C.G.I.T.A) No. 44/2022; (Reference No. L-30011/15/2022-IR (M)</i>  <i>Complaint under Section 33A of the Industrial Disputes Act, 1947 filed and pending before the Hon'ble Presiding Officer, Central Government Industrial Tribunal -cum Labour Court at Ahmedabad</i></p> <p><u>Connected Matters:</u>  a. Operation and Maintenance Mazdoor Sangh, Valsad (Hereinafter referred to as the Complainant) V/s. 1. M/s. Gujarat Gas Limited, Gandhinagar; 2. Gujarat Gas Limited (GSPC Group Company- Govt. of Gujarat Undertaking) (Avdhesh House, Opp. Gurudwara, Ahmedabad); 3. Gujarat Gas Limited (GSPC Group Company- Govt. of Gujarat Undertaking) (Nr. Parimal Garden, Ellisbridge, Ahmedabad); 4. M/s. Chintamani Associates (UdhnaMagdalla Road, Surat); 5. Jyakashan Engineers (150 ft. Ring Road, Kalwad Road, Rajkot); 6. M/s. New Horizonte, (Navrangpura, Ahmedabad); 7. M/s. Desco Infratech Private Limited (Bhatar Road, Surat); 8. M/s. BJ Patel &amp; Co. (Raghuvir Oil Mill, Jamnagar Road, Rajkot); 9. M/s. P.D. Construction (Tithal Road, Valsad)(Proposed party in main reference); (Parties 1 to 9 herein collectively referred to as the Opponents and individually as Opponent no. 1,2,3, 4, 5, 6, 7, 8 &amp; 9 respectively)  <i>Complaint (C.G.I.T.A) No. 01/2024; Complaint under Section 33A of the Industrial Disputes Act, 1947 filed and pending before the Hon'ble Presiding Officer, Central Government Industrial Tribunal -cum Labour Court at Ahmedabad</i></p>	Operation and Maintenance Mazdoor Sangh, Valsad (Hereinafter referred to as the Complainant)	Pending	Unascertained*  * The liabilities in the matters are unascertained. In one of the matter involving Gujarat gas Limited, the case is not directly against the company. But it has been made party for the reason of its being one of the contract labour supplier for Gujarat Gas Limited.



Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
	<p>b. Operation and Maintenance Mazdoor Sangh, Valsad (Hereinafter referred to as the Petitioner) V/s. 1. Union of India, Through The Secretary; 2. Central Government of Industrial Tribunal, Ahmedabad; 3. M/s. Gujarat Gas Limited, Gandhinagar; 4. Gujarat Gas Limited (GSPC Group Company- Govt. of Gujarat Undertaking) (Avdhesh House, Opp. Gurudwara, Ahmedabad); 5. Gujarat Gas Limited (GSPC Group Company- Govt. of Gujarat Undertaking) (Nr. Parimal Garden, Ellisbridge, Ahmedabad); 6. M/s. Chintamani Associates (UdhnaMagdalla Road, Surat); 7. Jyakishan Engineers (150 ft. Ring Road, Kalwad Road, Rajkot); 8. M/s. New Horizonte, (Navrangpura, Ahmedabad); 9. M/s. Desco Infratech Private Limited (Bhatar Road, Surat); 10. M/s. BJ Patel &amp; Co. (Raghuvir Oil Mill, Jamnagar Road, Rajkot); 11. M/s. P.D. Construction</p> <p><i>Special Civil Application No. 10565/2024 and 10941/2024 filed and pending with the Hon'ble High Court of Gujarat, ahmedabad</i></p>			

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page on page 270 of this Draft Red Herring Prospectus.

## RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page on page 36 of this Draft Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

The following table sets forth our contingent liabilities as derived from our Restated Financial Statements;

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
Goods and Service Tax Order for F.Y. 2017-2018, pending before Assistant Commissioner, Ghatak 5-Ahmedabad.	13.02	NIL	NIL
Goods and Service Tax Order for F.Y. 2018-2019, pending before Assistant Commissioner, Ghatak 5-Ahmedabad.	4.18	NIL	NIL
Goods and Service Tax Order for F.Y. 2019-2020, pending before Assistant Commissioner of Commercial taxes, Benagluru.	31.48	NIL	NIL

*Notes: The Company has filed an appeal before the Appellate authorities in respect of the disputed matter under the Goods and Service Tax Act, 2017 and the appeals are pending with the appellate authority. Considering the facts of*

the matters and other legal pronouncements of jurisdictional HC, no provision is considered necessary by the management because the management is hopeful that the matter would be decided in favour of the Company in the light of the legal advice obtained by the company. The amount is shown as Contingent liabilities not provided for.

For details, please refer to Section titled “Restated Financial Statements” beginning on page on page 220 of this Draft Red Herring Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

As required under Accounting Standard 18 “Related Party Disclosures” as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.:

<b>a. List of related parties and nature of relationships where control exists :</b>
The company has not entered into any Joint Ventures with any person / Association / Investment in any wholly or partly owned subsidiary during the period whether in India or outside India
<b>b. Other related parties with whom transactions have taken place during the period.</b>
<b>i) Entities where Key Management Personnel (KMP) / relatives of key management personnel (RKMP) have significant influence</b>
→ Desai Energy LLP
<b>ii) Key Management Personnel :</b>
→ Pankaj Desai
→ Malhar Pankajbhai Desai
→ Samarth Pankaj Desai
→ Amulya Kumar Jena
→ Hina Pankaj Desai (Resigned as Director w.e.f. July 31, 2024)
→ Indira Desai
<b>iii) Relatives of key management personnel :</b>
→ Desai Associate (Proprietorship of Pankaj Desai)

### c. Status of outstanding balances as at March 31, 2024 (March 31, 2023) (March 31, 2022):

Particulars	Type of relationship	Name of the entity / person	Year ended on March 31, 2024	Year ended on March 31, 2023	Year ended on March 31, 2022
Sundry Debtors	Entities where KMP / RKMP has significant influence	Desai Energy LLP	184.40	-	-
Sundry Debtors	RKMP	Desai Associates	115.21	-	-
Unsecured Loans	KMP	Hina Desai	7.70	-	
		Indira Desai	18.73	18.81	16.31
		Malhar Desai	-	15.33	15.33
		Pankaj Desai	-	174.87	31.72
Director Remuneration Payable	KMP	Pankaj Desai	3.95	5.65	-
		Amulya Jena	7.02	1.40	-
		Hina Desai	11.10	-	-

Particulars	Type of relationship	Name of the entity / person	Year ended on March 31, 2024	Year ended on March 31, 2023	Year ended on March 31, 2022
		Indira Desai	10.22	5.30	-
		Malhar Desai	3.71	0.87	-
		Samarth Desai	8.14	1.99	-
Sundry Creditors	KMP	Pankaj Desai	-	1.29	-
		Hina Desai	-	1.74	
Sundry Creditors	RKMP	Desai Associates	15.67	0.06	-

1. Directors and relatives of directors have given their various properties as collateral securities in various loans obtained by the Company.
2. Directors and relatives of directors have given their personal guarantees in various loans obtained by the Company

**d. Disclosure of significant transactions with related parties during the period**

*(Rs, In Lakhs)*

Transaction with Related Parties	31-Mar-24	31-Mar-23	31-Mar-22
<b>Sales</b>			
Desai Associates	98.05	-	-
Desai Energy LLP	209.71	-	-
<b>Sub Contract Charges</b>			
Desai Associates	13.34	11.42	-
<b>Director Remuneration</b>			
Pankaj Desai	7.00	6.00	3.60
Amulya Jena	12.00	5.06	1.86
Hina Desai	12.00	-	-
Indira Desai	4.92	-	-
Malhar Desai	12.00	4.80	3.00
Samarth Desai	12.00	3.00	1.80
<b>Office Rent</b>			
Pankaj Desai	1.80	1.80	1.80
Hina Desai	3.60	3.60	3.60
<b>Malhar Desai</b>			
Opening balance of Loan taken by the Company	15.33	15.33	13.33
Loan Taken by the Company	96.11	-	2.00
Loan Repaid by the Company	111.44	-	-
Interest on Loan taken/Given	-	-	-
Closing Balance	-	15.33	15.33
<b>Samarth Desai</b>			

<b>Transaction with Related Parties</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Opening balance of Loan taken by the Company	-	-	-
Loan Taken by the Company	119.07	-	-
Loan Repaid by the Company	119.07	-	-
Interest on Loan taken/Given	-	-	-
Closing Balance	-	-	-
<b>Desai Associates</b>			
Opening balance of Loan taken by the Company	174.87	31.72	19.19
Loan Taken by the Company	267.64	703.42	484.09
Loan Repaid by the Company	442.51	560.27	471.55
Interest on Loan taken/Given	-	-	-
Closing Balance	-	174.87	31.72
<b>Indira Desai</b>			
Opening balance of Loan taken by the Company	18.81	16.31	16.31
Loan Taken by the Company	-	2.50	-
Loan Repaid by the Company	0.08	-	-
Interest on Loan taken/Given	-	-	-
Closing Balance	18.73	18.81	16.31
<b>Hina Desai</b>			
Opening balance of Loan taken by the Company	-	-	10.00
Loan Taken by the Company	7.70	-	-
Loan Repaid by the Company	-	-	10.00
Interest on Loan taken/Given	-	-	-
Closing Balance	7.70	-	-

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page on page 220 of this Draft Red Herring Prospectus.

## **FINANCING ARRANGEMENTS**

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of business of the relevant financing entity) during a period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus.

## **WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS**

The weighted average cost of acquisition of Equity Shares by our Promoters in the last One (1) year preceding the date of this Draft Red Herring Prospectus set forth in the table below:

Sr. No.	Name of the Promoters	Number of Equity Shares acquired in the one year preceding the date of this Draft Red Herring Prospectus	Number of Equity Shares Held	Weighted Average cost of Acquisition (in ₹) *
1.	Ms. Indiraben Pruthubhai Desai	22,50,006	23,82,354	Negligible
2.	Ms. Hina Pankaj Desai	8,50,000	9,00,000	NIL
3.	Mr. Malhar P Desai	5,75,008	6,08,832	NIL
4.	Mr. Samarth Pankaj Desai	5,74,991	6,08,814	NIL
5.	Mr. Pankaj Pruthu Desai	-	-	-

The weighted average cost of acquisition of Equity Shares by our Promoters have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them divided by number of shares acquired in last one (1) year.

\*As certified by M/s K.A. Sanghavi and Co. LLP, Chartered Accountants pursuant to their certificate dated September 30, 2024.

#### AVERAGE COST OF ACQUISITION OF PROMOTERS

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

Sr. No.	Name of the Promoters	No of Equity Shares held	Average cost of Acquisition (in ₹) *
1.	Ms. Indiraben Pruthubhai Desai	23,82,354	0.19
2.	Ms. Hina Pankaj Desai	9,00,000	NIL
3.	Mr. Malhar P Desai	6,08,832	NIL
4.	Mr. Samarth Pankaj Desai	6,08,814	NIL
5.	Mr. Pankaj Pruthu Desai	-	-

The average cost of acquisition of Equity Shares by our Promoters have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

\*As certified by M/s K.A. Sanghavi and Co. LLP, Chartered Accountants pursuant to their certificate dated September 30, 2024.

#### DETAILS OF PRE-IPO PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

#### ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Except as disclosed below, we have not issued any Equity Shares for consideration other than cash within last one year from the date of this Draft Red Herring Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
September 25, 2024	53,13,452	10/-	Nil	Bonus Issue	Capitalization of Reserves & Surplus	Ms. Indiraben Pruthubhai Desai	22,50,001
						Ms. Hina Pankaj Desai	8,50,000

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
				(Ratio 17:1 i.e., 17 Equity Shares for every 1 Equity Share held)		Mr. Malhar P Desai	5,75,008
						Mr. Samarth Pankaj Desai	5,74,991
						Mr. Jaysukhbhai Maganlal Thathagar	1,22,349
						Mr. Bharatbhai V Suthar	6,749
						Mr. Dasharath Rajnikant Bosamiya	17,306
						Mr. Rajat Haresh Bosmia	6,749
						Ms. Saawi Bhatnagar	11,679
						Mr. Sandeep Singh	1,14,223
						Mr. Sohil Mohamedali Budhwani	8,789
						Mr. Vaibhav Singhal	14,841
						Ms. Ayushi Rathore	18,717
						Mr. Bharath Reddy Mittapelly	5,491
						Mr. Nabil Nisarali Sayyad	9,350
						Ms. Renu Goyal	5,491
						Mr. Jagmohan Pal	9,350
						Ms. Yogita Rangnath Ekhande	13,226
						Ms. Jeniva Antony Ephrem	98,158
						Mr. Dubariya Piyush Jivanbhai	8,228
						Mr. Anand Prakash Mishra	13,226
						Mr. Ashweni Seth	12,648
						Mr. Pinakin Devidasbhai Shah	5,491
						Mr. Modi Tejas Kanaiyalal	5,491
						Ms. Minakshiben Pinakin Shah	5,491
						M/s. Sagar Rajendra Bamb HUF	9,996
						Mr. Varun Kumar Dubey	5,491
						Mr. Kushal Bhawarlal Jain	29,733
						Mr. Vivek Kumar Bhauka	34,204
						M/s. Viney Equity Market LLP	54,927
						Mr. Deepak Gugnani	5,491
						Mr. Vibhor Jain	5,491
						Mr. Sumit Gupta	5,491
						Mr. Praveen Kumar	5,491

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
						Ms. Urvi Trivedi	5,491
						Ms. Upma Singh	5,491
						Ms. Vijaya Sharma	5,491
						Ms. Ramaben M Shivani	5,491
						Ms. Manisha Kaushik	9,350
						Mr. Amit Agarwal	44,710
						Ms. Harsha Talreja	8,942
						Mr. Jay Parmar	1,785
						Mr. Meet Shah	884
						Ms. Nandani Jagad	1,785
						Mr. Rajesh Kumar Singla	50,048
						Mr. Ravi Kalathiya	4,233
						Ms. Ria Vispute	18,105
						Ms. Sonal Jhaveri	1,785
						Mr. Anupkumar Ashokji Gindodiya	2,312
						Mr. Arjit Tak	23,222
						Mr. Dhiraj Navghanbhai Karotra	3,859
						Mr. Gagan Deep Kalra	3,859
						Mr. Jasim Kunnath	15,487
						Ms. Jyoti Rajesh Shah	3,859
						Ms. Kavita Chandnani	7,735
						Mr. Kenil Jaysukhbhai Thathagar	56,525
						Mr. Lovesh Pahil	2,312
						Mr. Maharshiraj Dharmendrasinh Chudasama	7,735
						Ms. Manjulaben Jivanlal Dubariya	7,735
						Ms. Namrata Singhee	7,735
						Mr. Nandan Pravinbhai Ganatra	15,487
						Ms. Nirmala Chandak	7,735
						Mr. Parag Kilche	3,859
						Mr. Prashant Kishore Sharma	3,859
						Ms. Shanta Chandru Chandnani	7,735
						Mr. Yuv Bansal	11,611
						Mr. Ramesh Kumar Mittal	3,859

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
						Ms. Sonia Rahul Arora	3,859
						Ms. Vrunda Upendra Dattani	3,859
						Mr. Anuj Agarwal	7,735
						Mr. Satnam Mahley	3,094
						Mr. Kritarth Rameshbhai Patel	7,735
						Mr. Chetan Singla	3,859
						Ms. Jolly Wilson	3,842

#### **SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Red Herring Prospectus.

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

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.



### SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. Investors should carefully consider all information in this Draft Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. 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, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Investors should consult their tax, financial and legal advisors about particular consequences to them of an investment in the Issue. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, such financial impact cannot be disclosed in such risk factors. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See chapter titled “Forward Looking Statements” beginning on page 22 of this Draft Red Herring Prospectus.*

*To obtain a better understanding of our business, you should read this chapter in conjunction with other chapters of this Draft Red Herring Prospectus, including the chapters titled “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Restated Financial Statements” on page 143, 261, 125 and 220 respectively of this Draft Red Herring Prospectus, together with all other Restated Financial Statements contained in this Draft Red Herring Prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.*

*Unless otherwise stated, the financial data in this chapter is derived from our Restated Financial Statements for the financial years ended March 31, 2024, 2023, and 2022 as included in “Restated Financial Statements” beginning on page 220 of this Draft Red Herring Prospectus.*

#### **MATERIALITY**

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

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

## INTERNAL RISKS

1. *We have certain outstanding litigation against us, an adverse outcome of which may adversely affect our business, reputation and results of operations.*

A summary of outstanding matters set out below includes details of civil and criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving us, our Subsidiary, Directors, Promoter and Group Company, as at the date of this Draft Red Herring Prospectus.

### Cases against our Company:

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	2	Unascertained
Statutory/ Regulatory Authorities	--	--
Taxation Matters	6	69.60
Other Litigation	1	unascertained

*#The liabilities in the matters are unascertained. In one of the matter involving Gujarat gas Limited, the case is not directly against the company. But it has been made party for the reason of its being one of the contract labour supplier for Gujarat Gas Limited.*

### Cases against our Director and / or Promoters:

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	26	164.99
Other Litigation#	--	--

*#Our promoters cum directors have been made party to the case against the Company. But the same has not been mentioned in the directors/ promoters column to avoid repetition.*

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 270 of this Draft Red Herring Prospectus.

2. *If we fail to qualify for, or win new work orders from our clients, our business, financial condition, results of operations, prospects and cash flows could be adversely affected.*

We enter into contracts primarily through a competitive bidding process, and our business depends on our ability to bid for and be awarded contracts for projects by clients. Typically, clients advertise potential projects in newspapers or on their websites by publishing pre-qualification notices or through mails if the tenders are limited and of priority. If a project is of interest to us, we evaluate our credentials considering the eligibility criteria specified for the project.

We endeavour to qualify on our own for projects that are of interest. Once we pre-qualify for a bid, tender documents are sent to pre-qualified bidders (including our Company) by the client. We then submit a financial bid, along with any technical bid details required including supporting documents such as previous work execution, completion certificates to the client. For further details on the project procurement process, see “Our Business – Project Procurement Flow Chart” on page 143 of this Draft Red Herring Prospectus. We cannot assure you that we will be able to meet the pre-qualification criteria prescribed by such clients. Finally, even if we pre-qualify for a project, we cannot assure you that our bid, when submitted, will be awarded. Further, certain clients from the private sector may only invite a select group of contractors to participate in the bidding process via RFQ (Request for Quotations). In such instances, we cannot assure you that we will be invited to bid for such projects or that our bid in a non-competitive bidding process will be successful. We spend considerable time and resources in the preparation and submission of bids, and if we are unsuccessful, we will not be able to recover the time and costs incurred by us. In addition, tender processes are regularly subject to changes in eligibility criteria, unexpected delays and other uncertainties, depending upon the nature of the project and its location or target given by the client.

**3. We are highly dependent on certain key customers for a substantial portion of our revenues. Loss of relationship with any of these customers may have a material adverse effect on our profitability and results of operations.**

We depend on certain customers who have contributed to a substantial portion of our total revenues. The following is the breakup of the top customers of our Company for the financial years ending March 31, 2024 and the preceding two fiscals:

(₹ in lakhs)

Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
Top 1 Customer	980.32	33.35%	1,263.96	43.25%	928.28	46.76%
Top 5 Customers	2028.71	69.02%	2612.31	89.40%	1,949.83	98.22%
Top 10 Customers	2079.23	70.74%	2642.01	90.41%	1985.06	99.99%

There is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. Reliance on a limited number of customers for our business may generally involve several risks. These risks may include, but are not limited to, reduction, delay or cancellation of orders from our significant customers; failure to renegotiate favourable terms with our key customers; the loss of these customers; all of which would have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company. In order to retain some of our existing customers we may also be required to offer terms to such customers which we may place restraints on our resources.

Maintaining strong relationships with our key customers is, therefore, essential to our business strategy and to the growth of our business. Some of our customers may place demands on our resources or may require us to undertake additional obligations which have the effect of increasing our operating costs and therefore affect our profitability. Additionally, the loss of any key customer, may significantly affect our revenues, and we may have difficulty securing comparable levels of business from other customers to offset any loss of revenue from the loss of any of our key customers including our largest customer or even our top five customers.

**4. Our revenues from projects are difficult to predict and are subject to seasonal variations.**

Our business operations may be adversely affected by severe weather, which may require us to evacuate personnel or curtail services, may result in damage to a portion of our equipments or facilities resulting in the suspension of operations, and may prevent us from delivering services to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations may also be adversely affected by difficult working conditions during the monsoon season and extremely high temperatures during summer months, each of which may restrict our ability to carry on construction activities and fully utilize our resources. These factors may make it difficult for us to prepare accurate internal financial forecasts. In addition, business of our company is seasonal mainly in monsoon

season, efficiency of construction work reduces during monsoon season. As a result, our revenues and profits may vary significantly during different financial periods, and certain periods are not indicative of our financial position for the year.

**5. Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

As per our Restated Financial Statements, our cash flows from operating, investing and financing activities are as set out below:

Particulars	For the Financial Year ended on		
	March 31, 2024	March 31, 2023	March 31, 2022
Net cash (used in) / generated from operating activities	(27.64)	(169.30)	34.10
Net cash (used in) / generated from investing activities	(80.43)	(72.06)	(19.99)
Net cash (used in) / generated from financing activities	126.44	238.81	(25.67)

**Cash Flows from Operating Activities**

**For the financial year ended March 31, 2024**

Our net cash used from operating activities was ₹ (27.64) lakhs for the financial year ended March 31, 2024. Our operating profit before working capital changes was ₹ 497.91 lakhs for the financial year ended March 31, 2024 which was primarily adjusted against income tax of ₹ (61.77) lakhs, increase in trade receivables ₹ (75.16) lakhs, increase in inventory by ₹ (48.26) lakhs, increase in loans and advances by ₹ (58.04) lakhs, increase in other current assets ₹ (20.36) lakhs, decrease in trade payables ₹ (357.80) lakhs and increase in other current liabilities by ₹ 66.23 lakhs.

**For the financial year ended March 31, 2023**

Our net cash used from operating activities was ₹ (169.30) lakhs for the financial year ended March 31, 2023. Our operating profit before working capital changes was ₹ 173.92 Lakhs for the financial year ended March 31, 2023 which was primarily adjusted against income tax of ₹ (59.04) lakhs, increase in trade receivables ₹ (690.34) lakhs, increase in trade payables ₹ 436.03 Lakhs and increase in other current liabilities by ₹ 48.04 lakhs.

**For the financial year ended March 31, 2022**

Our net cash used from operating activities was ₹ (34.10) lakhs for the financial year ended March 31, 2022. Our operating profit before working capital changes was ₹ 120.33 Lakhs for the financial year ended March 31, 2022 which was primarily adjusted against income tax of ₹ (44.44) Lakhs, increase in trade receivables ₹ (18.83) lakhs, increase in inventories by ₹ (1.87) lakhs, increase in loans & advances ₹ (99.74) lakhs, increase in other current assets ₹ (15.48) lakhs, decrease in trade payables by ₹ (4.55) lakhs and increase in other current liabilities by ₹ 36.10 lakhs.

**Cash Flows from Investment Activities**

**For the financial year ended March 31, 2024**

Our net cash flow from investing activities was ₹ (80.43) lakhs. This was mainly on account of Purchase of fixed assets of ₹ (67.15) lakhs and capital advances of ₹ (24.12) lakhs, sale of fixed assets of ₹ 5.91 lakhs, and the company received interest income of ₹ 4.93 lakhs.

**For the financial year ended March 31, 2023**

Our net cash flow from investing activities was ₹ (72.06) lakhs. This was mainly on account of Purchase of fixed assets of ₹ (17.99) lakhs and capital advances of ₹ (58.95) lakhs, sale of fixed assets of ₹ 2.00 lakhs, and the company received interest income of ₹ 2.88 lakhs.

**For the financial year ended March 31, 2022**

Our net cash flow from investing activities was ₹ (19.99) lakhs. This was mainly on account of Purchase of fixed assets of ₹ (21.92) lakhs and the company received interest income of ₹ 1.93 lakhs.

**Cash Flows from Financing Activities**

**For the financial year ended March 31, 2024**

Our net cash flow from financing activities was ₹ 126.44 lakhs. This was on account of proceeds from issue of share capital and securities premium amounting to ₹ (349.88) lakhs, repayment of short term borrowings of ₹ (58.61) lakhs, repayment of long term borrowings ₹ (116.01) lakhs and interest paid ₹ (38.99) lakhs.

**For the financial year ended March 31, 2023**

Our net cash flow from financing activities was ₹ 238.81 lakhs. This was on account of proceeds of long term and short term borrowings of ₹ 140.56 lakhs and ₹ 131.62 lakhs respectively and interest paid of ₹ (32.03) lakhs.

**For the financial year ended March 31, 2022**

Our net cash flow from financing activities was ₹ (25.67) lakhs. This was on account of proceeds from short term borrowings of ₹ 74.76, repayment of long term borrowings of ₹ (65.85) lakhs and interest paid of ₹ (31.90) lakhs.

For further details and reasons of such negative cash flow, please see chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 261 of this Draft Red Herring Prospectus.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

6. ***We generate our major portion of sales from our operations in certain geographical regions especially, Gujarat, Haryana, Uttar Pradesh and Punjab. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

We generate major portion of our sales from our customers situated in Gujarat, Haryana, Uttar Pradesh and Punjab. Following is our state-wise revenue bifurcation for the financial years ending March 31, 2024 and the preceding two fiscals:

(₹ in lakhs)

Top 10 State-wise	FY 2023-24		FY 2022-23		FY 2021-22	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
Gujarat	1,590.24	54.10%	1494.27	51.13%	1,006.66	50.71%
Haryana	788.08	26.81%	926.89	31.72%	811.11	40.86%
Uttar Pradesh	384.47	13.08%	259.63	8.88%	2.93	0.15%
Punjab	199.09	6.77%	241.42	8.26%	164.49	8.29%
Karnataka	(3.14) *	(0.11%)	-	-	-	-

Top 10 State-wise	FY 2023-24		FY 2022-23		FY 2021-22	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
Madhya Pradesh	(19.44)*	(0.66%)	-	-	-	-
<b>Total</b>	<b>2939.31</b>	<b>100.00%</b>	<b>2922.21</b>	<b>100.00%</b>	<b>1985.19</b>	<b>100.00%</b>

\*The figures are negative due to work in progress reversal of last year.

Such geographical concentration of our business in our top regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in such regions to expand our operations in other parts of India, should we decide to further expand our operations. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside such markets may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**7. Our Company has entered into related party transactions in the past and may continue to enter into related party transactions in the future, which may potentially involve conflicts of interest with the equity shareholders.**

Our Company has entered into certain related party transactions with our Promoters, Directors, Key Management Personnel, Promoter Group and Group Companies in the past which are in compliance with applicable provisions of the Companies Act, 2013 and all other applicable laws. For details, please see “Annexure X of Restated Financial Statements” under the chapter titled “Restated Financial Statements” beginning on page 220 of this Draft Red Herring Prospectus. Following are details of transactions during the year with related parties of the company as defined in AS 18:

<b>a. List of related parties and nature of relationships where control exists :</b>
The company has not entered into any Joint Ventures with any person / Association / Investment in any wholly or partly owned subsidiary during the period whether in India or outside India
<b>b. Other related parties with whom transactions have taken place during the period.</b>
<b><u>i) Entities where Key Management Personnel (KMP) / relatives of key management personnel (RKMP) have significant influence</u></b>
→ Desai Energy LLP
<b><u>ii) Key Management Personnel :</u></b>
→ Pankaj Desai
→ Malhar Pankajbhai Desai
→ Samarth Pankaj Desai
→ Amulya Kumar Jena
→ Hina Pankaj Desai [Resigned as Director w.e.f. July 31, 2024]
→ Indira Desai
<b><u>iii) Relatives of key management personnel :</u></b>
→ Desai Associate (Proprietorship of Pankaj Desai)

**c. Status of outstanding balances as at March 31, 2024 (March 31, 2023) (March 31, 2022):**

Particulars	Type of relationship	Name of the entity / person	Year ended on March 31, 2024	Year ended on March 31, 2023	Year ended on March 31, 2022
Sundry Debtors	Entities where KMP / RKMP has significant influence	Desai Energy LLP	184.40	-	-
Sundry Debtors	RKMP	Desai Associates	115.21	-	-
Unsecured Loans	KMP	Hina Desai	7.70	-	-
		Indira Desai	18.73	18.81	16.31
		Malhar Desai	-	15.33	15.33
		Pankaj Desai	-	174.87	31.72
Director Remuneration Payable	KMP	Pankaj Desai	3.95	5.65	-
		Amulya Jena	7.02	1.40	-
		Hina Desai	11.10	-	-
		Indira Desai	10.22	5.30	-
		Malhar Desai	3.71	0.87	-
		Samarth Desai	8.14	1.99	-
Sundry Creditors	KMP	Pankaj Desai	-	1.29	-
		Hina Desai	-	1.74	-
Sundry Creditors	RKMP	Desai Associates	15.67	0.06	-

3. Directors and relatives of directors have given their various properties as collateral securities in various loans obtained by the Company.
4. Directors and relatives of directors have given their personal guarantees in various loans obtained by the Company

**d. Disclosure of significant transactions with related parties during the period**

*(Rs, In Lakhs)*

Transaction with Related Parties	31-Mar-24	31-Mar-23	31-Mar-22
<b>Sales</b>			
Desai Associates	98.05	-	-
Desai Energy LLP	209.71	-	-
<b>Sub Contract Charges</b>			
Desai Associates	13.34	11.42	-
<b>Director Remuneration</b>			
Pankaj Desai	7.00	6.00	3.60
Amulya Jena	12.00	5.06	1.86
Hina Desai	12.00	-	-
Indira Desai	4.92	-	-
Malhar Desai	12.00	4.80	3.00
Samarth Desai	12.00	3.00	1.80

<b>Transaction with Related Parties</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
<b>Office Rent</b>			
Pankaj Desai	1.80	1.80	1.80
Hina Desai	3.60	3.60	3.60
<b>Malhar Desai</b>			
Opening balance of Loan taken by the Company	15.33	15.33	13.33
Loan Taken by the Company	96.11	-	2.00
Loan Repaid by the Company	111.44	-	-
Interest on Loan taken/Given	-	-	-
Closing Balance	-	15.33	15.33
<b>Samarth Desai</b>			
Opening balance of Loan taken by the Company	-	-	-
Loan Taken by the Company	119.07	-	-
Loan Repaid by the Company	119.07	-	-
Interest on Loan taken/Given	-	-	-
Closing Balance	-	-	-
<b>Desai Associates</b>			
Opening balance of Loan taken by the Company	174.87	31.72	19.19
Loan Taken by the Company	267.64	703.42	484.09
Loan Repaid by the Company	442.51	560.27	471.55
Interest on Loan taken/Given	-	-	-
Closing Balance	-	174.87	31.72
<b>Indira Desai</b>			
Opening balance of Loan taken by the Company	18.81	16.31	16.31
Loan Taken by the Company	-	2.50	-
Loan Repaid by the Company	0.08	-	-
Interest on Loan taken/Given	-	-	-
Closing Balance	18.73	18.81	16.31
<b>Hina Desai</b>			
Opening balance of Loan taken by the Company	-	-	10.00
Loan Taken by the Company	7.70	-	-
Loan Repaid by the Company	-	-	10.00
Interest on Loan taken/Given	-	-	-
Closing Balance	7.70	-	-

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 220 of this Draft Red Herring Prospectus.



While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future and such transactions may potentially involve conflicts of interest. In terms of the Companies Act, 2013 and SEBI LODR Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board and Shareholders for certain related party transactions and we undertake that such related party transactions shall not be done against the interests of the Company and its shareholders as prescribed in the SEBI LODR Regulations. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

8. ***The Company is yet to place orders for 100% of the purchase of machineries, as specified in the Objects of the Issue. Any delay in placing orders, procurement of the same may delay our implementation schedule and may also lead to increase in price of these machineries, further affecting our revenue and profitability.***

Although we have identified the type of machines required to be purchased for our business operations. However, we are yet to place orders for 100% of the machineries worth ₹ 168.04 Lakhs as detailed in the "Objects of the Issue" beginning on page 104 of this Draft Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in technology, change in supplier of machinery, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure this equipment within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun, which would have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 104 of this Draft Red Herring Prospectus.

9. ***Majority of our Revenue from operation is derived from our city gas distribution network projects. Any disruption in the continuous operations of our services would have a material adverse effect on our business, results of operations and financial.***

Our Revenue is majorly generated from city gas distribution network projects services. Our revenue from such activities, contributes 97.10%, 100.00% and 100.00% of our total revenue from operations for the financial year ended March 31, 2024, 2023 and 2022, respectively. The industry in which we operate is characterized by changing laws and demands for features, work experience, completion record and timely project execution. These conditions may also result in significant competition. If the end-user demand is low for our customers' services, there may be significant changes in the orders from our customers and we may experience greater pricing pressures. Our success is therefore dependent on the success achieved by our services and the same being continued to be well acceptable in market. If our services fail to gain acceptance, we may experience reduced demand which may affect our sales to such customers, operating margins and all of these combined may adversely affect on our revenue, reputation, financial conditions, results of operations and cash flows.

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

Our company has not complied with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor. In the past, there have been some instances of delays/ noncompliance with certain statutory authorities with certain provision of statutory regulations applicable to us such as:

ROC Form	Particulars of Event	Event Date	Due Date of Compliance	Actual Date of Compliance	Delay in days
Form MGT-7	Form for filing annual return by a company having a share capital with the Registrar (FY 2016-17)	30.09.2017	29.11.2017	01.12.2017	3 days

ROC Form	Particulars of Event	Event Date	Due Date of Compliance	Actual Date of Compliance	Delay in days
Form AOC-4	Form for filing balance sheet and other documents with the Registrar (FY 2017-18)	30.09.2018	30.10.2018	30.12.2018	60 days
Form MGT-7	Form for filing annual return by a company having a share capital with the Registrar (FY 2017-18)	30.09.2018	29.11.2018	30.12.2018	30 days
Form ADT-1	Appointment of auditor	30.09.2017	15.10.2017	14.11.2017	29 days
Form ADT-1	Appointment of auditor	30.09.2022	15.10.2022	01.11.2022	15 days
Form DIR-12	Resignation of Director	01.08.2023	01.09.2023	15.09.2023	14 days
MGT-14	Filing of Resolutions	30.06.2014	30.07.2014	05.08.2014	5 days
MGT-14	Filing of Resolutions	04.09.2014	04.10.2014	21.12.2014	77 days
MGT-14	Filing of Resolutions	24.01.2024	23.01.2024	22.03.2024	58 days
MGT-14	Filing of Resolutions	15.03.2024	20.04.2024	04.05.2024	14 days
PAS-3	Return of Allotment	01.03.2021	31.03.2021	06.04.2021	6 days
PAS-3	Return of Allotment	02.12.2023	01.01.2024	12.02.2024	41 days

The company has filed all the forms with delayed fees towards corrective measure. Further we cannot confirm that no action from authorities would be taken against the Company pursuant to the above explained instances which may adversely affect our business and financial operations.

In the past, there have been some instances of error in filing information with the RoC i.e., in private placement dated March 23, 2024, Ms. Indiraben Pruthubhai Desai had been allotted 5 equity shares for consideration other than cash. However, in Form PAS-3 (Return of Allotment) the mode of payment against issue of 5 shares to Ms. Indiraben Pruthubhai was shown as 'cash'.

In the past, there have been some instances of non-compliance with certain statutory authorities with certain provision of statutory regulations applicable to us such. Such instances are:

- As per Rule 9A sub-rule (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, requires every unlisted public company making any offer for issue of any securities to ensure that before making such offer, entire holding of securities of its promoters, directors, key managerial personnel has been dematerialised in accordance with provisions of the Depositories Act 1996 and regulations made there under. The Company has allotted 53,13,452 bonus shares dated September 25, 2024 in dematerialised form. However, the shares of promoters, directors and key managerial personnel as on bonus allotment date were in process of dematerialisation.
- Non-filing of half yearly MSME forms.
- For Private placement dated September 11, 2024, the company has not complied the following provisions of Section 42(4) of the Companies Act, 2013 which read as under: Every identified person willing to subscribe to the private placement issue shall apply in the private placement and application issued to such person along with subscription money paid either by cheque or demand draft or other banking channel and not by cash: provided that a company shall not utilise monies raised through private placement unless allotment is made and the return of allotment is filed with the Registrar in accordance with subsection (8). The Company has received share application money through banking channel in a separate bank account. However, share application money has been utilised before allotment of shares and filing of Form PAS-3 dated September 12, 2024.

- The Company has for Private Placement dated September 11, 2024 has not complied with provisions of sub rule I of Rule 14 of the Companies (prospectus and Allotment of Securities) Rules, 2014. The company has circulated the Letter of Offer in PAS-4 after taking approval of members of the company by way of Special Resolution

Overall, the Company is acknowledging the same and is in the process of taking requisite steps to rectify them. While no legal proceedings or regulatory action has been initiated against our Company in relation to such noncompliance or instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC as of the date of this Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by concerned regulatory authorities in this respect. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

***11. Our failure to perform in accordance with the standards prescribed in the work orders of our clients could result in loss of business or revenue from clients.***

Our revenue is generated vide receipt of work orders from our clients. The majority of these work orders may require us to comply with the code of conduct, rules and regulations prescribed by our clients, which may increase our compliance burden and cost. We may be unable to effectively address service constraints or accurately predict service requirements, as a result of which our clients may experience service shortfalls. Further any disruptions to our businesses as a result of actions outside of our control, could significantly impact the continued performance of our obligations to meet the quality or performance standards set out in our work orders which may in-turn harm and cause clients to terminate their contracts with us, impair our ability to obtain renewal of our orders from existing clients and impair our ability to grow our client base, any of which could affect our business, financial condition and results of operations. In the event that we are unable to meet the prescribed obligations, we may also be required to pay penalties to our clients on the terms set out in our work orders. For instance, the fittings that we procure is from the list of approved vendors from our clients though there are chances we might receive defective fittings with sub-standard performances which cause additional time and costs in the project. In any such instance we have to compensate the client or the amount is deducted as a penalty from our running account bills. Certain work orders may also require us to provide indemnities to our clients with respect to any negligent act or omission by or misconduct of our employees. In the event there is an increase in claims against us for which we are not insured, our business, financial condition and results of operations may be affected.

***12. We have issued Equity Shares during the last one year which may be at lower than the Issue Price.***

Our Company had issued Bonus shares of 53,13,452 equity shares on September 25, 2024 in the ratio of 17:1 i.e., 17 Bonus Equity shares for every 1 Equity Shares held, in the last 12 months which may be at lower than the Issue Price. The Equity Shares allotted to shareholders pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions, and passage of time. For further details, see “*Capital Structure*” on page 84 of this *Draft Red Herring Prospectus*. The prices at which Equity Shares have been issued by us in last one year should not be taken to be indicative of the Issue Price and the trading price of our Equity Shares after listing.

***13. We generate our major revenue of business from sales to public sector undertakings which may impact our Business.***

The major portion of our revenue for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022 is from public sector undertakings i.e., 73.71%, 66.28% and 71.74%. Such concentration of our business heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand, our operations may differ from those in which we are currently offering. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, and are in a stronger financial position than us, all of which may give them a competitive advantage over

us. Our inability to expand more into areas may adversely affect our business prospects, financial conditions and results of operations.

**14. *Our Company has availed unsecured loans that may be recalled by the lenders on demand.***

As on March 31, 2024, we have outstanding unsecured loan amounting to Rs. 119.49 Lakhs from banks, financial institutions and promoters which are repayable on demand to them. For further details of our unsecured loans, please refer the chapter titled “*Financial Indebtedness*” beginning on page 259 of this Draft Red Herring Prospectus. These loans may not be repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lenders at any time. In such cases, we may be required to repay the entirety of the unsecured loans. We may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, results of operation financial condition and cash flow.

**15. *Some of our contracts are the subject of legal and arbitration proceedings. An adverse outcome from any such legal proceedings could adversely affect our business, financial condition and results of operation.***

Our Company is into the business of execution of work at the site of its clients which includes engagement of labour on contractual basis on its own part or on the part of its client and with changing labour scenario it may run into labour litigations.

Our Company is into gas distribution projects wherein it is required to deploy long term labour on the site of its client / at its own site. The labour so provided is generally engaged on contractual basis, by the client thus depriving them of regular benefits available to a permanent / regular basis. Since the scenarios are changing and at several places, the labour so deployed has been continuing for years, our clients have run into litigations with the labour union demanding engagement and upliftment of the labours so deployed to be engaged as permanent labour of the client. Although the litigations so lodged are not directly against our Company, our company being one of the contract labour supplier, has been made party to such cases. Further with the improving labour laws and increasing awareness amongst the labour we have been at times penalized for non-compliance of labour laws. Although we take due care to comply all labour laws, and although the penalties so levied are miniscule, we are not sure that we may not match the expectations of the authorities and our manpower at times, in which event we may be engaged into unnecessary litigations with the authorities / trade unions in which event our concentration from the trade shall shift thus adversely affecting the business and financial position of the Company.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 270 of this Draft Red Herring Prospectus.

**16. *Mr. Malhar P Desai (Promoter and Whole-Time Director) and Mr. Anand Jayaramankrishnan (Independent Director) of our Company are unable to trace their educational degrees certificates and we have relied on the affidavits furnished by them for such details of their educational details.***

There are certain missing documents in relation to the educational qualifications of our Promoter and Whole-Time Director, Mr. Malhar P Desai and Mr. Anand Jayaramankrishnan, one of the Independent Directors of our Company. As on date of this Draft Red Herring Prospectus, they are unable to trace their educational degrees/certificates. While they have furnished notarised affidavits for their educational details. Accordingly, the BRLM has relied on the furnished notarised affidavits submitted by Mr. Malhar P Desai and Mr. Anand Jayaramankrishnan and have incorporated their relevant educational information in this Draft Red Herring Prospectus and have not been able to independently verify such information due to the non-availability of records. We cannot assure you that the directors will be able to procure their educational certificates in timely manner or at all. Further, we cannot assure you that we will not be subject to risks arising from the unavailability of such record.

**17. *Our contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.***

We have certain contingent liabilities, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.

The following table sets forth our contingent liabilities as derived from our Restated Financial Statements;

(₹ in Lakhs)			
Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
Goods and Service Tax Order for F.Y. 2017-2018, pending before Assistant Commissioner, Ghatak 5-Ahmedabad.	13.02	NIL	NIL
Goods and Service Tax Order for F.Y. 2018-2019, pending before Assistant Commissioner, Ghatak 5-Ahmedabad.	4.18	NIL	NIL
Goods and Service Tax Order for F.Y. 2019-2020, pending before Assistant Commissioner of Commercial taxes, Benagluru.	31.48	NIL	NIL

*Notes: The Company has filed an appeal before the Appellate authorities in respect of the disputed matter under the Goods and Service Tax Act, 2017 and the appeals are pending with the appellate authority. Considering the facts of the matters and other legal pronouncements of jurisdictional HC, no provision is considered necessary by the management because the management is hopeful that the matter would be decided in favour of the Company in the light of the legal advice obtained by the company. The amount is shown as Contingent liabilities not provided for.*

For more details, please refer chapters titled "Restated Financial Statements" and "Restated Financial Statements" "Outstanding Litigations and Material Developments" beginning on page 220 and 270 respectively of this Draft Red Herring Prospectus respectively.

**18. *There may be possible conflicts of interest between us and our Promoters or our Group Company, or with entities in which our Promoters & directors are interested.***

Our Promoter, Mr. Pankaj Pruthu Desai, is actively involved in the management of both our business and the business operations of our Promoter Group Companies. Any diversion of attention by our Promoter to our Promoter Group Companies may distract or dilute management attention from our business, which could adversely affect our business, financial condition and results of operations. Further, we do not enjoy contractual protection by way of a non-compete or other agreement or arrangement with such Promoter Group Companies. We cannot assure you that such body corporates will not compete with us in similar markets or our existing business or any future business that we may undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business. Such eventualities may lead to conflict of interest between our Company and our Promoter Group Companies which have been promoted and / or controlled by our Promoters. For more details regarding our Promoters and Group Companies, please refer chapters titled "Our Promoters and Promoter Group" and "Group Companies" beginning on page 211 and 217 respectively of this Draft Red Herring Prospectus respectively. Any such present and future conflicts may have an adverse effect on our reputation, business and results of operations.

**19. *Our individual Promoters play a key role in our functioning, and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters and Executive Directors remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.***

We benefit from our relationship with our individual Promoters and our success depends upon the continuing services of our Promoters and executive directors who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters and executive directors have been actively involved in the day-to-day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters and executive Directors. If our Promoters and executive directors are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel or senior management personnel, we may be unable to locate suitable or qualified replacements and may incur additional

expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**20. *In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business.***

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions. Further we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or need to update pursuant to change in name and conversion of company to public Company.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, there can be no assurance that the relevant authority will issue or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our related operations.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavour to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, see “Government and Other Approvals” on page 270 of this Draft Red Herring Prospectus.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations.

**21. *The work order entered into by us are usually standard in nature and may contain terms that favour our clients, which may enable them to terminate our orders prematurely under various circumstances beyond our control and as such, we have limited ability to negotiate terms and may have to accept unusual or onerous provisions.***

The work orders entered into by us are usually in the form and manner as approved by our clients. As a result, we have a limited scope to negotiate the terms of such work contracts, some of which terms may be more favourable to our clients. Usually, work orders include a termination clause which among other terms includes that in any case of performance deviation and three consecutive show cause notices, the client can prematurely terminate the contract.

Our agreements with clients can be terminated prematurely by clients for several reasons, including:

- failure to comply with operational or maintenance standards prescribed under our work orders;
- failure to complete a project within the prescribed timelines;
- occurrence of a material adverse effect, as defined under our work orders;
- occurrence of a force majeure event, such as an act of god, act of war or expropriation;
- performance deviation and three consecutive show cause notices;
- failure to comply with any other material term of the relevant agreement;

- failure to perform work in accordance with the terms of the order or stoppage of work, resulting in a breach; or for convenience, with prior written notice.

Generally certain time extensions are given by some clients as per site criticality and actual check of ground level or due to geographical conditions. Also in the year 2023, the Company received a debarment notice for its Operation & Maintenance Services for Gujarat Gas Limited and as an effect we could not further participate in tenders of such client. Further, the Company in its response via mails requested the client to review its decision and after due assessment, Gujarat Gas Limited issued a notice to the Company on December 13, 2023 reducing the debarment period only for a period of 1 year (post effective from April 10, 2023). If any of such events occur in future, it will adversely affect our business, financial condition, cash flows and results of operations.

**22. *We face competition in our business from other oil and gas infrastructure companies.***

We operate in a competitive environment. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. We compete against major as well as smaller regional oil and gas infrastructure companies. While service quality, performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards.

We are currently qualified to bid for projects up to a certain value and therefore, are unable to compete with large pipeline infrastructure corporations for high value tenders or contracts. Some of our competitors are larger than us and have greater financial resources. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost solutions than we do, causing us to win fewer tenders. If we do not succeed in being awarded the contracts for projects, we could fail to increase, or maintain, our volume of order intake and operating revenues. There can be no assurance that we can continue to effectively compete with our competitors in the future and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

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

We require certain statutory and regulatory permits, licenses and approvals to operate our business. For details of our licenses/registration/approvals kindly refer the chapter titled “*Government and Other Approvals*” beginning on page no. 270 of this Draft Red Herring Prospectus While we believe that we have obtained the necessary approvals which are adequate to run our business, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with or cannot assure that all the requirements have been met. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew these permits, licenses, and approvals, but there is no assurance that authorities will issue them in a timely manner or at all. Failure to renew, maintain, or obtain required permits or approvals on time may lead to operational interruptions and could materially impact our business, financial condition, and results of operations.

Also, approvals required by our Company are contingent and subject to numerous conditions, and there can be no assurance that they would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions, or due to regulatory actions. If there is any failure by us to comply with applicable regulations or amendments to regulatory frameworks governing our business could result in increased costs, penalties, revocation of approvals and permits, or suffer a disruption in our operational, any of which could adversely impact our business. Our Company is currently in the process of applying for a change in name for all permits, licenses. Details regarding pending approvals can be found in the section titled “*Government and Other Approvals*” starting on page 270 of the Draft Red Herring Prospectus. However, there is no assurance that relevant authorities will issue these approvals or licenses in a timely manner, or at all.

**24. *In addition to normal remuneration, other benefits and reimbursement of expenses some of our directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our directors would always exercise their rights as shareholders to the benefit and best interest of our Company. For further information, see the chapters titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on page 196 and 211 respectively of this Draft Red Herring Prospectus and the section titled “*Financial Information*” beginning on page 220 of this Draft Red Herring Prospectus.

**25. *Our current Order Book does not guarantee full realization of future income. Some orders may be subject to modifications, cancellations, delays, holds, or partial payments by customers, which could have adverse effects on our operational results.***

Our Order Book represents the value of secured contracts yet to be executed as of a specific date, providing insight into our future expected revenues. As per the management estimations and chartered accountant certificate dated September 26, 2024, as on September 07, 2024, we are executing 56 ongoing projects and have in line 8 upcoming projects aggregating into a combined Order Book of ₹ 16,569.13 Lakhs. However, it is crucial to note that the calculation and presentation of the Order Book may vary from other companies, including our competitors. Successful execution of the Order Book depends on adhering to contractual obligations, including delivery schedules and quality requirements. Failure to meet these terms, whether actual or perceived, may result in modifications, cancellations, or delays of our current orders and potential penalties. Additionally, project execution or completion relies on the cooperation of clients and other service providers & excavation (ROU) right of use permissions from local authorities involved like non-gasification of the awarded area/locations, change in client project management agencies, scarcity/shortage in supply of free issue materials by the client. Factors beyond our or our clients' control, such as permit delays or practical difficulties, may lead to project postponements. Due to uncertainties in project execution, we cannot accurately predict when, if, or to what extent a project will be completed, impacting the income and profits derived from the contracts. Delays can also lead to payment delays or refusals, affecting expected margins.

Delays, scope reductions, cancellations, execution difficulties, payment postponements, defaults, or disputes related to the Order Book or ongoing projects can adversely affect cash flow, operational revenues, and profitability. These inherent risks in our industry and contractual relationships must be recognized as they can significantly impact on our financial performance.

**26. *Our financing agreements contain covenants that limit our flexibility in operating our business. If we are not in compliance with certain of these covenants and are unable to obtain waivers from the respective lenders, our lenders may accelerate the repayment schedules, and enforce their respective security interests, leading to a material adverse effect on our business and financial condition.***

A portion of borrowings is secured by hypothecation of current assets (both present and future), mortgage of our promoters' personal properties, for further details, please refer the chapter titled “*Financial Indebtedness*” beginning on page 259 of this Draft Red Herring Prospectus. Our existing financing arrangements contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to, without prior consents from the lenders, engage in acts that may be in our long-term best interest, including restrictions on our ability to, among other matters, make regular inspections and audits. If we are not in compliance with certain of these covenants and are unable to obtain waivers from the respective lenders or if any events of default occur, our lenders may accelerate the repayment schedules or terminate our credit facilities. However, there have not been any instances in the past that adversely affected the Company's business, credit ratings, prospects, results of operations and financial condition, due to restrictive covenants of the debt financing agreements. Further, certain of our subsisting loans may be recalled at any time at the option of the lender. There can be no assurance that the lenders will not recall such borrowings or if we will be able to repay loans advanced to us in a timely manner or at all. Subsequently, if we are unable to pay our debt, affected lenders could also proceed against any collateral granted to them to secure such indebtedness. Further, such covenant defaults could result in cross-defaults in our other debt financing agreements. In the event our lenders accelerate the repayment of our borrowings, there can be no assurance that we will have sufficient assets to repay our indebtedness. If our future cash flows from operations and other capital resources become insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may



require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms.

**27. *Delays in completion of our current and future projects and time overrun could have adverse effect on our business prospects and results of operations.***

Typically, our projects are subject to specific completion schedule requirements. The scheduled completion targets for our projects are estimates and are subject to delays as a result of, among other things, unforeseen engineering problems, force majeure events, unavailability of financing, unanticipated cost increases or changes in scope and inability to obtain government approvals or as may be contractually agreed with the client. We also provide bank guarantees to our clients which may be invoked if we are unable to complete projects within a specified time frame and such guarantees may be extended owing to any change in such timelines. Failure to adhere to contractually agreed timelines could lead to forfeiture of security deposits, payment of liquidated damages and/ or our performance guarantees being invoked. There can be no assurance that our projects will be completed within the specified time frame. While there have been no instances of time overrun in the past, we cannot assure you that all potential liabilities that may arise from delays or that any damage, that may be claimed for such delays from clients or any third party, would be adequate to cover losses resulting there from.

**28. *Within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 104 of this Draft Red Herring Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use the Net Proceeds for the purposes described in the section titled “*Objects of the Issue*” on page 104 of this Draft Red Herring Prospectus. The Objects of the Issue comprise of funding of capital expenditure requirements of our Company towards setting up of corporate office in Surat, Gujarat, purchase of machineries, working capital requirements and general corporate purposes. We intend to deploy the Net Proceeds in financial year 2024-2025, such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Net Proceeds, please refer chapter titled “*Objects of the Issue*” beginning on page 104 of this Draft Red Herring Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “*Objects of the Issue*” beginning on page 104 of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue. However, in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI ICDR Regulations, 2018, a company shall not vary the objects of the Issue without our Company being authorize to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholders shall provide 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.

**29. *We require working capital for our smooth day-to-day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favourable terms may have an adverse effect on our operations, profitability and growth prospects.***

Our business demands on working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth

prospects. We intend to continue growing by expanding our business operations. This may result in increase in the quantum of our current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “*Objects of the Issue*” beginning on page 104 of this Draft Red Herring Prospectus.

**30. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.***

As on date of this Draft Red Herring Prospectus, we have not made any alternate arrangements for meeting our capital requirements for objects of the issue. We meet our capital requirements through, owned funds, debt and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the net issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 104 of this Draft Red Herring Prospectus.

**31. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.***

Since, the Proceeds from the Issue is less than Rs.10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, as per the Section 177 of the Companies Act, 2013 and applicable laws, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

**32. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price to be decided by the Company in consultation with the Book Running Lead Manager in accordance with the SEBI ICDR Regulations.***

Our Promoters’ average cost of acquisition of Equity Shares in our Company could be lower than the Price decided by our Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title “*Capital Structure*” beginning on page 84 of this Draft Red Herring Prospectus.

**33. *Our business operations may be adversely affected due to misconduct or errors from employees. Such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could adversely affect business risks or losses, including regulatory sanctions, and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity like reflective jackets, safety shoes, non-sparking tools, connectivity with local hospitals in case of emergencies may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, operations and goodwill could be adversely affected.

**34. *Failure to successfully implement our business strategies may materially and adversely affect our business, prospects, financial condition and results of operations.***

We aim to implement our business strategies to ensure future business growth, which may be subject to various risks and uncertainties, including but not limited to the following:

- **Cost and Rate Fluctuations:** Fluctuations in the costs of labour, equipment, and interest rates may impact project economics and profitability.
- **Maintaining Competitive Edge:** We face the risk of cost overruns or delays in project execution, which could erode our competitive advantage and reputation. Failing to deliver projects in a timely manner or meeting quality specifications may hinder our growth prospects.
- **Intensified Competition and Payment Issues:** We operate in a competitive landscape, and intensified competition may affect our ability to secure contracts. Delays in payments by clients and associated legal proceedings may also pose financial and operational challenges.
- **Operational Efficiency:** Inefficiency in utilizing our execution system and ERP systems may affect project performance and operational results.
- **Financing Challenges:** Managing financing resources and obtaining funds at affordable costs are critical for our business growth. Failure to maintain financial discipline may affect our ability to undertake projects.
- **Regulatory and Political Environment:** Changes in laws, regulations, policies, or the political environment could impact our business operations and profitability.
- **Diversification and Business Segments:** Expanding into new states or business segments involves inherent risks, including market acceptance and operational challenges.
- **Talent Acquisition and Retention:** Skilled employees play a vital role in our success. Difficulty in recruiting and retaining talent could affect our operations and project execution.
- **Market Trends and Portfolio Optimization:** Failure to identify market trends or optimize our project portfolio may hinder our ability to acquire new projects and meet client expectations.
- **Corrupt Practices:** The risk of fraud or improper conduct may adversely affect our reputation and financial standing.

Implementation of our strategies may be subject to a number of risks and uncertainties including the ones mentioned above, some of which are beyond our control. There can be no assurance that we will be able to execute our growth strategy on time and within the estimated costs, or that we will meet the expectations of our clients. In order to manage growth effectively, we must implement and improve operational systems, procedures and controls on a timely basis, which, as we grow and diversify, we may not be able to implement, manage or execute efficiently and in a timely manner or at all, which could result in delays, increased costs and diminished quality and may adversely affect our results of operations and our reputation. Any failure or delay in the implementation of any of our strategies may have a material adverse effect on our business, prospects, financial condition and results of operations.

35. ***Our Registered Office and other properties used for business operations are not owned by us and are taken on rental basis. If we are unable to renew existing rental agreements or relocate our operations on commercially reasonable terms, there may be a material adverse effect on our business, financial condition, results of operations and cash flows could be adversely affected.***

Our registered office and other properties used for business operations are not owned by us and are taken on rental basis. For further details, see “*Our Business*” beginning on page 143 of this Draft Red Herring Prospectus. If we are unable to renew certain or all of these rental agreements on commercially reasonable terms or at all and we cannot relocate our offices in a timely manner, we may suffer a disruption in our operations, and our results of operations, financial condition and cash flows may be materially and adversely affected. Further, we cannot assure you that we will be able to continue the above arrangement on commercially acceptable / favourable terms in future. If we are required to vacate the current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our

operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

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

In the past, our company has at several 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 and interest on late deposits 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.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see “*Outstanding Litigation and Material Developments*” beginning on page 270 of this Draft Red Herring Prospectus.

**37. *Our agreement for obtaining office containers on rent are not stamped as a result of which our title to such properties may be faulty.***

We have not paid stamp duty for our agreement with M/s. Akash Services dated May 24, 2024 for obtaining office containers at our project site. The effect of not stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying differential stamp duty and/or penalty for inadequate stamping. The effect of non-registration of an instrument is that the title to the property does not transfer in favour of the transferee and therefore, making the instrument unenforceable. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

**38. *Our Promoters have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters and thereby, impact our business and operations.***


Our Promoters have extended personally guarantee towards loan facilities taken by our Company. Any default or failure by us to repay the loans in a timely manner, or at all could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters of our Company, thereby having an effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details, please refer the chapter titled “*Financial Indebtedness*” beginning on page 259 of this Draft Red Herring Prospectus.


**39. *We are required to furnish financial and performance bank guarantees as part of our business. Our inability to arrange such guarantee or the invocation of such guarantees may result in forfeiture of bid security or earnest money deposit and termination of the relevant contract thereby affecting results of our operations, financial condition and other prospects.***

As per the terms of the work orders executed by us, we are required to provide financial and performance bank guarantees in favour of the clients to secure our financial/performance obligations under the respective contracts for our projects and are also required to ensure that the performance bank guarantees are valid and enforceable until the expiry of the contract or until we remedy any defects during the defects liability period or until such other period as is stipulated under the relevant contract. We may be unable to fulfil any or all of our obligations under the contracts entered into by us in relation to our ongoing projects due to unforeseen circumstances which may result in a default under our contracts resulting in invocation of the bank guarantees issued by us. If any or all the bank guarantees are

invoked, it may result in a material adverse effect on our business and financial condition. Further, if we are not able to provide/extend the performance bank guarantee within the stipulated period with respect to the project, then the relevant contract may be terminated and the bid security provided can be encashed or balance receivables can be taken by the client to recover such loss, which could have a material adverse effect on our prospects.

We may not be able to continue obtaining new financial and performance bank guarantees in sufficient quantities to match our business requirements. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees, our ability to enter into new contracts could be limited. Providing security to obtain financial and performance bank guarantees also increases our working capital requirements.

40. The logo “  ” has been registered under the name of our company. Any failure to protect our intellectual property could have a material adverse effect on our business. We are, and may also in the future be, subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business.

As on date of this Draft Red Herring Prospectus, the logo “  ” has been registered under Class 37 of the Trade Mark Act, 1999 and the status of the same is ‘Send To Vienna Codification’. The said trademark belongs to our brand, if Company could not register it or it gets rejected, we will not be able to make use of the said trademark, name or logo in connection with our business and consequently, we may be required to invest significant resources in changing our logo which may adversely affect our reputation and business. We have been conducting our business using our logo and our customers associate our logo with our Company and its operations. Our ability to compete effectively depends in part upon our ability to protect our rights in trademarks and other intellectual property that we have been registered. We seek to protect our logos, brand names and websites’ domain names by relying on trademarks and domain name registrations. However, our efforts to protect our intellectual property may not be adequate. The use of our name and logo is vital to our competitiveness and success and for us to attract and retain our customers and business partners. Further, we cannot assure you that the measures we have taken will be sufficient to prevent any misappropriation or infringement of our intellectual property.

41. Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund-based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled “Financial Indebtedness” beginning on page 259 of this Draft Red Herring Prospectus.

42. Inaccurate estimation of risks, revenues, or costs for a project could negatively impact our profitability and operational results. Actual costs during project execution may significantly deviate from bid assumptions, leading to challenges in recovering additional expenses and potentially having a material adverse effect on our operational results, cash flows, and financial condition.

Under the agreements for our projects, we typically agree to a price escalation clause or changes in minimum wages rates as per regulation/notification from State or Central Government, fuel price variation. However, some of our future projects may not include price escalation clauses, leaving us exposed to potential cost variations. As a result, the actual expenses incurred during these projects may significantly differ from the bid assumptions due to various factors. These factors include unanticipated increases in material, fuel, labour, or other input costs, unexpected conditions leading to delays and higher expenses, weather-related disruptions, and non-performance by suppliers.

If we are unable to pass on cost increases to clients due to limited or no price escalation provisions, our profitability may be adversely affected, and we could incur financial losses. Additionally, the inherent risks in the industry may result in lower profits than initially estimated or lead to cost and time overruns, potentially impacting our cash flows, overall business, financial health, and operational results.

The accurate estimation of risks, revenues, and costs for a project is critical to ensure profitability and operational success. Any inaccuracies in these estimates can have detrimental effects on our financial performance. During project execution, actual costs may vary significantly from the initial bid assumptions, making it challenging to recover additional expenses. Such deviations can have a material adverse impact on our operational results, cash flows, and overall financial condition.

**43. *Our Company's activities are labour intensive and depend on availability of labour. In case of unavailability of such labour, our business operations could be affected.***

Our business operations are labour intensive and depends on our ability to retain labour. In case such labour is unavailable or we are unable to identify and retain such labour our business could be adversely affected. We cannot guarantee that we may be able to continue with the same on favourable terms or at all. Any such failure may impact the operations, business process and profitability. Additionally, we have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs and consequently, on our margins. Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

Any strikes or lockouts, work stoppages, slowdowns, shutdowns, supply interruptions or costs or other factors beyond our control, may disrupt our operations and could negatively impact our financial performance or financial condition. Additionally, our inability to recruit employees, in particular skilled employees, and retain our current workforce could have a material adverse effect on our business, financial condition and profitability. There can be no assurance that we will not experience slowdowns or shutdowns in the manner described above, or in any other manner, in the future, for reasons which are beyond our control. Any slowdown or shutdown will adversely impact the results of operations, market share and financial condition.

**44. *Employee misconduct including fraud, theft, employee negligence, misuse of confidential data or similar incidents may adversely affect the results of operations and financial condition.***

Our company faces potential risks related to incidents of theft or damage to inventory. We acknowledge that there is a possibility of experiencing inventory losses due to various factors such as employee theft, vendor fraud, and general administrative errors. These incidents could have a negative impact on the results of operations and financial condition. During the execution of the contract and up to defect liability period we are generally fully liable to compensate all concerned for any loss, damage, or destruction of work, structure, property etc. including third party risk arising due to causes attributable to us.

Despite implementing security measures and internal controls, there is no guarantee that we will completely avoid instances of fraud, theft, employee negligence, or security lapses in the future. Any such occurrence could lead to significant financial losses and affect our overall business performance. Although we have insurance coverage against losses due to theft, fire, breakage, or damage caused by other casualties, the extent of coverage may not fully mitigate the financial impact of such incidents on our operations and financial condition. In some cases, the losses incurred may exceed the insurance coverage, resulting in additional financial strain for the company.

Although we closely monitor our employees, misconduct, including acts of bribery, corruption or fraud by employees or executives, such acts could include binding us to transactions that exceed authorized limits or present unacceptable risks, or they may hide unauthorized or unlawful activities from us, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our reputation. While we have not experienced any such employee misconduct in the past, it is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our business and our reputation.

**45. *Failure or disruption of our information technology systems may adversely affect our business, financial condition, results of operations, cash flows and prospects.***

We have implemented required information technology solutions to cover key areas of our operations including sourcing, accounting and data security. However, these systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. Our ability to keep our business operating depends on the proper and efficient operation and functioning of the information technology systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). Such malfunction or disruptions could interrupt our business operations and result in economic losses. Any failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

There is no assurance that we will not experience disruption in our information technology systems in the future and we will be able to remedy such disruption in timely manner, or at all. Any such disruption of our information technology systems could have a material adverse effect on our business, results of operation and financial condition.

**46. *Our operations may be adversely affected in case of accidents at any of our operations sites.***

Fitting of pipelines, checking leakage of gas pipelines and other associated works by labour during our operations or otherwise, lifting of materials by humans, construction activities, etc. may result in accidents, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations.

**47. *Our insurance coverage may not adequately protect us against all losses or the insurance coverage may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the construction, installation, operation and maintenance of mainly gas pipelines, installation of cables for power distribution, structural foundations for water distribution and renewable energy projects. We are also required to take appropriate insurance for our projects under the terms of our contracts. We avail inland cargo insurance policy to insure inland movement of plant & machinery by road or rail as per project requirements. These insurance policies are reviewed periodically to ensure that the coverage is adequate. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such Insurances. Our policies are subject to standard limitations. For further details of insurance policies availed by us, please see insurance details as disclosed under chapter titled “*Our Business*” on page no. 143 of this Draft Red Herring Prospectus.

**48. *Industry information included in this Draft Red Herring Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Red Herring Prospectus. The sources from where the industry information is extracted and included in this Draft Red Herring Prospectus are <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024> , <https://www.ibef.org/economy/indian-economy-overview> , <https://www.ibef.org/industry/infrastructure-sector-india> and <https://www.ibef.org/industry/oil-gas-india>. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although, we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies

and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

**49. *The recent outbreak of the novel coronavirus could have a significant effect on our results of operations, and could negatively impact our business, revenues, financial condition and results of operations.***

An outbreak of COVID-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Since May 2020 many of these measures our operations and to build confidence in the safety protocols deployed at our office. If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future. Further, the lockdown was again imposed by the government in some parts of India during April 2021, which was partially relaxed in June 2021, during this lockdown although we have continued with our business, the execution of our business operations was delayed by few weeks. We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations and our financial results may be impacted.

**50. *Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

After the completion of the Issue, our Promoters and Promoter Group is expected to hold [●] % of the Post Issue Equity Share Capital. Further, the involvement of our Promoters in our operations, including through strategy, direction and customer relationships have been integral to our development and business and the loss of any of our Promoters may have a material adverse effect on our business and prospects.

Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and Promoter Group. Further, the Promoters' shareholding may limit the ability of a third party to acquire control. The interests of our Promoters and Promoter Group, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or in investor favor.

**51. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of



the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 219 of this Draft Red Herring Prospectus.

**52. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors assessments of Our Company's financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.**

Our restated financial statements, including the financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, refer chapter titled “Presentation of Financial Industry and Market Data” beginning on Page 20 of this Draft Red Herring Prospectus.

Accordingly, the degree to which the Indian GAAP 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. 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. India has decided to adopt the “Convergence of its existing standards with IFRS” and not the “International Financial Reporting Standards” (“IFRS”), which was announced by the MCA, through the press note dated January 22, 2010. These “IFRS based / synchronized Accounting Standards” are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed Company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards, i.e., IND (AS) and for future periods.

Moreover, if we volunteer for transition to IND (AS) reporting, the same may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of converged Indian Accounting Standards may adversely affect our financial condition.

**53. The determination of the Price Band is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchange.**

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the Book Running Lead Manager. Furthermore, the Issue Price of our Equity Shares has been determined by book building method. These will be based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 115 of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares upon listing on the Stock Exchange. The price of our Equity Shares upon listing on the Stock Exchange will be determined by the market and may be influenced by many factors outside of our control.

## **EXTERNAL RISKS**

**54. An investment in the Equity Shares is subject to general risk related to investments in Indian Companies.**

Our Company is incorporated in India and all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

**55. *A slowdown in our exports due to tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.***

A significant portion of our revenue is derived from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and the Ukraine commenced, which has led to the imposition of sanctions of various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. Any such imposition of trade barriers or international sanctions may have an adverse effect on our business, financial condition and results of operations.

**56. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the stock exchange(s) in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the stock exchange(s). Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**57. *Any future issuance of Equity Shares may dilute your shareholding and sale of our Equity Shares by our Promoters or other shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**58. *There are restrictions on daily weekly monthly movement in the price of the equity shares, which may adversely affect the shareholder's ability to sell for the price at which it can sell, equity shares at a particular point in time.***

Once listed, we would be subject to circuit breakers imposed by the stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI. The percentage limit on circuit breakers is set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange does not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of the circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any time.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject

to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

Pursuant to the Finance Act, 2020 and after March 31, 2020, dividends declared, distributed or paid by a domestic company would not be exempt in the hands of both resident and non-resident shareholders and are subject to tax deduction at source. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Further, the Finance Act, 2019 introduced new provisions under the Indian Stamp Act, 1899, which provide that in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

We cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, results of operations and financial condition.

***60. Natural calamities, climate change and health epidemics could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.***

Our operations including our offices may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our offices. Any of the above factors may adversely affect our business, financial condition and results of operations. India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

***61. Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse impact on the market price of the Equity Shares.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA and the rules thereunder. Under the foreign exchange regulations currently in force in India, transfers 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 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.

Shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT as consolidated in the FDI Policy with effect from October 15, 2020, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which share a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. Any such approval(s) would be subject to the discretion of the

regulatory authorities. Restrictions on foreign investment activities and impact on our ability to attract foreign investors may cause uncertainty and delays in our future investment plans and initiatives. We cannot assure you that any required approval from the relevant governmental agencies can be obtained on any particular terms or at all. Further, if our Company ceases to be “owned and controlled” by resident Indian entities, we will be subject to additional investment and exit restrictions under the FDI Policy and the FEMA.

**62. *Changing laws, rules and regulations and legal uncertainties, including adverse application or interpretation of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. In such instances, and including the instances mentioned below, our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, the implementation of such laws could increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, companies can voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Further, the GoI has announced the union budget for Fiscal 2024, pursuant to which the Finance Bill, 2024 (“Finance Bill”), has introduced various amendments. The Finance Bill has received assent from the President of India on February 15, 2024, and has been enacted as the Finance Act, 2024. We cannot predict whether any amendments made pursuant to the Finance Act, 2024 would have an adverse effect on our business, financial condition and results of operations. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

There can be no assurance that the GoI will not implement new regulations and policies requiring us to obtain approvals and licenses from the GoI or other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent in the jurisdictions in which we operate may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. It may also have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which could materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

We are unable to determine the impact of any changes in or interpretations of existing, or the promulgation of, new, laws, rules and regulations applicable to us and our business. If that was to occur it could result in us, our business, operations or group structure being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

**63. *Regulation of greenhouse gas emissions and climate change issues may adversely affect our operations.***

Many governments are moving to enact climate change legislation and treaties at the international, national, state, provincial and local levels. Where legislation already exists, regulations relating to emission levels and energy efficiency are generally becoming more stringent. Some of the costs associated with meeting more stringent regulations can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, meeting more stringent regulations is anticipated to result in increased costs, and this may have a material adverse impact on our financial condition and results of operations. Further, India and many other nations are signatories to international agreements related to climate change including the 1992 United Nations Framework Convention on Climate Change, which is intended to limit or capture emissions of greenhouse gas, such as carbon dioxide and the 2016 Paris Agreement, which extended the potentially binding set of emissions targets to all nations. Our compliance with any new environmental laws or regulations, particularly relating to greenhouse gas emissions, may require significant capital expenditure or result in the incurrence of fees and other penalties in the event of non-compliance. We cannot guarantee that future legislative, regulatory, international law, industry, trade or other developments will not negatively impact our operations and the demand for the products we sell. If any of the foregoing were to occur, our business, financial condition and results of operations may be adversely affected.

**64. *Our business is substantially affected by prevailing economic, political, social and other conditions which may harm our ability to do business, increase our costs and negatively affect our stock price.***

We are incorporated in and all our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations and cash flows are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations and cash flows, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporates;
- volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- any downgrading of India's debt rating by a domestic or international rating agency;
- financial instability in financial markets; and
- other significant regulatory or economic developments in or affecting India or its construction sector.

On February 24, 2022, Russian military forces invaded Ukraine. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict and responses from international communities could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

To date, we have not experienced any material interruptions in our supply chain, manufacturing facility and distribution network in connection with these conflicts. We have no way to predict the progress or outcome of the conflict in Ukraine as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have a substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors could affect our business, financial condition and results of operations.

In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

**65. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**66. *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.

**67. *Changing regulations in India could lead to new compliance requirements that are uncertain. The regulatory environment in which we operate is evolving and is subject to change.***

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition, results of operations and prospects.

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

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The Consumer Price Index increased from 3.4% (average) in Fiscal 2019 to 4.8% (average) in Fiscal 2020 to an estimated 6.2% (average) in Fiscal 2021 although the RBI has enacted certain policy measures designed to curb

inflation, these policies may not be successful. In February 2022, hostilities between Russia and the Ukraine commenced. The market price of oil has risen sharply since the commencement of these hostilities which could have an inflationary effect in India. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers 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 business, financial condition and results of operations.

**69. *A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian Law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI SAST Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of SEBI SAST Regulations.

**70. *Our Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for our Equity Shares will develop or, if developed, does not guarantee the liquidity of such market for the Equity Shares. Our Company and the Book Running Lead Manager will appoint Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Issue Price of the Equity Shares has been determined by our Company in consultation with the BRLM through the Book Building Process.

**71. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may

cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have in the past experienced substantial dislocations, liquidity disruptions and market corrections.

**72. *Rights of shareholders of companies under Indian law may be different compared to the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as a shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

**73. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/ Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, Qualified Institutional Buyers and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/ Issue Period and until the Bid/ Issue Closing Date, but not thereafter. Therefore, Qualified Institutional Buyers and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations or otherwise at any stage after the submission of their Bids.



## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE OF EQUITY SHARES BY OUR COMPANY IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Issued</b> <sup>(1)(2)(3)</sup>	Up to 20,50,000*, Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<i>Out of which:</i>	
<b>Issue Reserved for the Market Maker</b>	Up to [●] Equity Shares of face value of ₹10/- each fully-paid up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<b>Net Issue to the Public</b>	Up to [●] Equity Shares of having face value of ₹10/- each fully paid-up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<i>Out of which*</i>	
<b>A. QIB Portion</b> <sup>(4)(5)</sup>	Not more than [●] Equity Shares aggregating up to ₹ [●] Lakhs.
<i>Of which:</i>	
i) Anchor Investor Portion	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
ii) Net QIB Portion (Assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares aggregating to ₹ [●] Lakhs
<i>Of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>B. Non-Institutional Portion</b>	Not less than [●] Equity Shares aggregating up to ₹ [●] Lakhs
<b>C. Retail Portion</b>	Not less than [●] Equity Shares aggregating up to ₹ [●] Lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity shares outstanding prior to the Issue</b>	56,26,008 Equity Shares of face value of ₹10/- each fully paid-up
<b>Equity shares outstanding after the Issue</b>	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up
<b>Use of Net Proceeds</b>	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 104 of this Draft Red Herring Prospectus

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

**Notes:**

- (1) The Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- (2) The Issue including has been approved by our Board pursuant to the resolutions passed at its meetings held on September 25, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on September 26, 2024.
- (3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that: (a) not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders; (b) not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders; and (c) not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to bidders in the

*other category. Accordingly, we have allocated the Net Issue i.e., not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders; not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders and not more than 50% of the Net Issue to QIBs.*

- (4) *Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

Our Company in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Issue Procedure*” beginning on page 321 of this Draft Red Herring Prospectus.

**SUMMARY OF FINANCIAL INFORMATION**

**ANNEXURE – I: RESTATED BALANCE SHEET**

*(₹ in Lakhs)*

Particulars	Annexure	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
(a) Share capital	I.1	27.78	25.00	25.00
(b) Reserves and surplus	I.2	1,171.56	478.65	360.06
		<b>1,199.34</b>	<b>503.65</b>	<b>385.06</b>
<b>Non-current liabilities</b>				
(a) Long-term Borrowings	I.3	156.90	272.91	132.35
(b) Deferred tax liabilities (net)	I.5			0.58
(c) Long term provisions	I.4	13.60	17.45	-
		170.49	290.35	132.93
<b>Current liabilities</b>				
(a) Short term borrowings	I.6	249.47	308.08	176.46
(b) Trade payables				
(i) total outstanding dues of micro and small enterprises	I.7	116.45	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		243.24	717.49	281.46
(c) Other current liabilities	I.8	311.11	244.88	196.84
(d) Short-term provisions	I.9	89.84	0.38	-
		<b>1,010.12</b>	<b>1,270.84</b>	<b>654.76</b>
<b>TOTAL</b>		<b>2,379.95</b>	<b>2,064.84</b>	<b>1,172.75</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment				
(i) Tangible	I.10	134.06	94.74	93.36
(ii) Intangible				
(iii) Capital Work in Progress				
		134.06	94.74	93.36
(c) Deferred tax assets (net)	I.5	3.11	3.61	-
(d) Long-term loans and advances	I.11	83.07	58.95	-
(e) Other Non-current Assets	I.12	55.68	35.32	36.46
		<b>275.92</b>	<b>192.62</b>	<b>129.83</b>
<b>Current assets</b>				
(a) Inventories	I.13	83.46	35.20	34.60
(b) Trade receivables	I.14	1476.72	1401.56	711.22
(c) Cash and bank balance	I.15	35.16	16.80	19.35
(d) Short-term loans and advances	I.16	70.69	12.65	18.61
(e) Other Current Assets	I.17	438.00	406.02	259.15
		<b>2,104.02</b>	<b>1,872.22</b>	<b>1,042.93</b>
<b>TOTAL</b>		<b>2,379.95</b>	<b>2,064.84</b>	<b>1,172.75</b>

**ANNEXURE – II: RESTATED STATEMENT OF PROFIT AND LOSS**

*(₹ in Lakhs)*

<b>Particulars</b>	<b>Annexure</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Income</b>				
Revenue from operations	II.1	2,939.31	2,922.21	1,985.19
Other income	II.2	10.17	6.00	6.32
<b>TOTAL INCOME</b>		<b>2,949.47</b>	<b>2,928.21</b>	<b>1,991.51</b>
<b>Expenses</b>				
(a) Cost of Material Consumed	II.3	1,402.52	1,789.07	1,057.00
(b) Purchase of stock-in-trade				
(c) Increase/Decrease in Stock in trade				
(d) Employee benefits expense	II.4	758.33	750.99	609.60
(e) Finance costs	II.5	52.43	36.57	37.93
(f) Depreciation and amortisation expense	II.6	15.73	14.83	13.82
(g) Other expenses	II.7	222.54	162.83	152.82
<b>TOTAL EXPENSES</b>		<b>2,451.56</b>	<b>2,754.29</b>	<b>1,871.18</b>
<b>Profit / (Loss) before exceptional, extraordinary, prior period items and tax</b>		<b>497.91</b>	<b>173.92</b>	<b>120.33</b>
<b>Less: Exceptional. Extraordinary, prior period items</b>		-	-	-
<b>Profit / (Loss) before</b>		<b>497.91</b>	<b>173.92</b>	<b>120.33</b>
<b>Tax expenses:</b>				
(a) Current tax expense	II.8	151.61	55.38	32.91
(b) Deferred tax expense / (benefit)		0.50	-4.18	4.91
<b>Profit / (Loss) for the year</b>		<b>345.80</b>	<b>122.72</b>	<b>82.51</b>
<b>Earnings per share (of Rs. 10 each)</b>				
(a) Basic & Diluted	II.9	136.56	49.09	33.00

**ANNEXURE – III: RESTATED CASH FLOW STATEMENT**

*(₹ in Lakhs)*

Particulars		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A</b>	<b>Cash flow from operating activities:</b>			
	Net profit before tax	497.91	173.92	120.33
	<b>Adjustments:</b>			
	Depreciation & Amortisation	15.73	14.83	13.82
	Donation	-	-	(2.00)
	Interest Income	(4.93)	(2.88)	(1.93)
	Interest on income tax refund	-	(0.32)	-
	Loss/(profit) on sale / theft of fixed assets	6.20	(0.22)	-
	Interest on loan	38.99	32.03	31.90
	loan processing charges	9.84	1.34	2.68
	<b>Operating cash flow before working capital changes</b>	<b>563.73</b>	<b>218.71</b>	<b>164.80</b>
	<b><u>Movement in working capital</u></b>			
	I. Adjustments for (Increase)/decrease in operating assets :			
	Trade receivables	(75.16)	(690.34)	(18.83)
	Inventories	(48.26)	(0.60)	(1.87)
	Short-term loans & advance	(58.04)	5.96	(99.74)
	Other Non Current Assets	(20.36)	1.14	18.11
	Other Current Assets	(31.97)	(147.02)	(15.48)
	II. Adjustments for (Increase)/decrease in operating liabilities :			
	Trade payables	(357.80)	436.03	(4.55)
	Other current liabilities	66.23	48.04	36.10
	Long term provisions	(3.85)	17.45	-
	Short Term provisions	(0.38)	0.38	-
	Cash generated from operations	34.13	(110.26)	78.54
	Net income taxes paid	(61.77)	(59.04)	(44.44)
	<b>Net cash (used in) / provided by operating activities (A)</b>	<b>(27.64)</b>	<b>(169.30)</b>	<b>34.10</b>
<b>B</b>	<b>Cash flows from investing activities:</b>			
	Purchase of fixed assets including intangible assets	(67.15)	(17.99)	(21.92)
	Sale of fixed assets including intangible assets	5.91	2.00	-
	Capital Advances	(24.12)	(58.95)	-
	Interest Received	4.93	2.88	1.93
	<b>Net cash provided by / (used in) investing activities (B)</b>	<b>(80.43)</b>	<b>(72.06)</b>	<b>(19.99)</b>
<b>C</b>	<b>Cash flows from Financing activities:</b>			
	Proceeds from Issue of Share capital	2.78	-	-
	Addition in Security Premium	347.11	-	
	Proceeds / (repayment) from Long Term Borrowings	(116.01)	140.56	(65.85)
	Proceeds from/(Repayment) of Short Term Borrowings	(58.61)	131.62	74.76
	Interest paid	(38.99)	(32.03)	(31.90)
	Loan processing charges paid	(9.84)	(1.34)	(2.68)
	<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>126.44</b>	<b>238.81</b>	<b>(25.67)</b>
	<b>Net increase / (decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>18.37</b>	<b>(2.56)</b>	<b>(11.56)</b>
	<b>Cash &amp; cash equivalents as at the beginning of the year</b>	<b>16.80</b>	<b>19.35</b>	<b>30.91</b>
	<b>Cash &amp; cash equivalents as at the end of the year</b>	<b>35.16</b>	<b>16.80</b>	<b>19.35</b>

## GENERAL INFORMATION

### REGISTERED OFFICE OF OUR COMPANY

**Desco Infratech Limited**

A-703, Swastik Universal, Next to Valentine Theatre,  
Dumas Road, Umra, Surat, Gujarat- 395007 India.

**Tel No:** +91 7574 999 097

**Email:** [investors@descoinfra.co.in](mailto:investors@descoinfra.co.in)

**Website:** [www.descoinfra.co.in](http://www.descoinfra.co.in)

**CIN:** U45201GJ2011PLC063710

**Registration Number:** 063710

For further details and details of changes in the registered office of our company, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page 187 Red Herring Prospectus.

### CORPORATE OFFICE OF OUR COMPANY

N.A.

### REGISTRAR OF COMPANIES

**Registrar of Companies, Ahmedabad**

Ministry of Corporate Affairs,  
ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad-380013, Gujarat, India.

**Tel No:** 079-27438531

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

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

### DESIGNATED STOCK EXCHANGE

**BSE SME****BSE Limited**

25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001,  
Maharashtra, India

**Tel No:** 022 – 2272 1233/34

**Website:** [www.bseindia.com](http://www.bseindia.com)

### BOARD OF DIRECTORS

As on the date of this Draft Red Herring Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Residential Address
Mr. Pankaj Pruthi Desai	Chairman & Managing Director	03344685	39, Amrapali Bunglows, Near Gayatri Mandir, UM Road, Surat, Gujarat-395017.
Mr. Malhar P Desai	Whole Time Director	07293599	39, Amarpali Bunglows, Nr Gayatri Mandir, UM Road, Surat, Althan, Gujarat-395017.
Mr. Samarth Pankaj Desai	Executive Director	08019677	39, Amrpali Bunglows, Althan Bhatar, Surat, Gujarat-395017.
Mr. Amulya Kumar Jena	Executive Director	09594511	Chandanpur, PO- Ramachandrapur, Rampur Jajapur, Odisha - 755003, India.

Name	Designation	DIN	Residential Address
Mr. Anand Jayaramankrishnan	Non-Executive Independent Director	10718835	C-52 Venus Apartments, Near Sandesh Press, Bokadev, Ahmadabad City, Ahmadabad, Gujarat-380054, India.
Ms. Anita Digbijay Paul	Non-Executive Independent Director	10718358	257, Omnagar, Opp Milenium Park, Dindoli, Kharvasa Road, Surat City, Surat, Gujarat-394210, India.
Mr. Kaushal Manishkumar Rangoonwala	Non-Executive Independent Director	10718780	35, Amrapali Banglows, B/h Gaytri Mandir, New City Light, Althan Surat City, Surat, Gujarat-395017, India.
Mr. Mahendra Sabarsinh Gusain	Non-Executive Independent Director	10636208	B-1101, KPM Terra Prime, Big Bazar Lane, Near Lalbhai Contractor Stadium, Vesu, Surat, Surat City, Gujarat- 395007, India.

For detailed profile of our Board of Directors, please see chapter titled “*Our Management*” beginning on page 196 of this Draft Red Herring Prospectus.

#### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Ms. Gandharva Javanika** is our Company Secretary and Compliance Officer. Her contact details are as follows:

**Ms. Gandharva Javanika**

A-703, Swastik Universal, Next to Valentine Theatre, Dumas Road, Umra, Surat, Gujarat- 395007 India.

**Tel No:** +91 7574 999 097

**Email:** [investors@descoinfra.co.in](mailto:investors@descoinfra.co.in)

**Website:** [www.descoinfra.co.in](http://www.descoinfra.co.in)

**Investor grievances:**

Bidders may contact the Company Secretary and Compliance Officer, BRLM or the Registrar to the Issue in case of any pre-issue or post-issue related queries, grievances and for redressal of complaints including non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

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(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, UPI ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose a copy of the Acknowledgment Slip or provide the application number received from the Designated Intermediary(ies) in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

All Issue-related grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

## CHIEF FINANCIAL OFFICER

### Ms. Prinkle Jain

A-703, Swastik Universal, Next to Valentine Theatre,  
Dumas Road, Umra, Surat, Gujarat- 395007 India.

**Tel No:** +91 7574 999 097

**Email:** [investors@descoinfra.co.in](mailto:investors@descoinfra.co.in)

**Website:** [www.descoinfra.co.in](http://www.descoinfra.co.in)

## BOOK RUNNING LEAD MANAGER

### Smart Horizon Capital Advisors Private Limited

*(Formerly known as Shreni Capital Advisors Private Limited)*

B/908, Western Edge II, Kanakia Space, Behind Metro Mall,  
off Western Express Highway, Magathane, Borivali East,  
Mumbai – 400066, Maharashtra, India.

**Tel No:** 022-28706822

**Email:**

**Website:** [www.shcapl.com](http://www.shcapl.com)

**Investor Grievance E-mail:** [investor@shcapl.com](mailto:investor@shcapl.com)

**Contact Person:** Mr. Parth Shah

**SEBI Registration No.:** INM000013183

## REGISTRAR TO THE ISSUE

### Bigshare Services Private Limited

S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai – 400 093,  
Maharashtra, India

**Tel No:** 022 – 6263 8200

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Investor Grievance E-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Contact Person:** Mr. Babu Rapheal C.

**SEBI Registration No.:** INR000001385

## LEGAL ADVISOR TO THE ISSUE

### M/s. Asha Agarwal & Associates

118, Shila Vihar, Gokulpura,  
Kalwar Road, Jhotwara,  
Jaipur – 302012, Rajasthan, India

**Tel No:** +91 99509 33137

**Email:** [ashaagarwalassociates@gmail.com](mailto:ashaagarwalassociates@gmail.com)

**License:** 75654/R/38/2016

**Contact Person:** Ms. Asha Agarwal

## BANKERS TO THE COMPANY

### Yes Bank Limited

Yes Bank House, Off Western Express Highway,  
Santacruz (West), Mumbai- 400055

**Tel No.:** +91-22-68547260

**Email:** [dlbtiservices@yesbank.in](mailto:dlbtiservices@yesbank.in)

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



**Contact Person:** Mr. Sachin Shinde/ Jagdish More

#### **STATUTORY AUDITOR AND PEER REVIEWED AUDITORS OF OUR COMPANY**

**M/s. K.A. Sanghavi and Co. LLP, Chartered Accountants**

1001, 1002, 1003, Rajhans Bonista, Ram Chowk,

Ghod Dod Road, Surat-395007, Gujarat.

**Tel No.:** +91-261-2653167 / +91-261-2653168

**Email:** [beintouch@kascoca.in](mailto:beintouch@kascoca.in)

**Contact Person:** CA Keyur A. Sanghavi

**Membership No.:** 109227

**Firm Registration No.:** 0120846W/W100289

**Peer Review Registration No.:** 016959

*M/s. K A Sanghavi and Co LL., Chartered Accountants holds a peer review certificate dated June 03, 2024 issued by the Institute of Chartered Accountants of India.*

#### **BANKERS TO THE ISSUE / ESCROW COLLECTION BANK, REFUND BANK AND PUBLIC ISSUE BANK**

\*[●]

#### **SYNDICATE MEMBER**

\*[●]

*\*The Banker to the Issue and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus with the ROC.*

#### **STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES**

Smart Horizon Capital Advisors Private Limited (*Formerly known as Shreni Capital Advisors Private Limited*) is the sole Book Running Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

#### **SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)**

The list of recognised intermediaries notified by SEBI is available at is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB branches with which an ASBA Bidder (other than a UPI Bidder using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

#### **SCSBS AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM**

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time.

In accordance with SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public offers using UPI mechanism is provided in the list available on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

#### **SYNDICATE SCSB BRANCHES**

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time.

#### **REGISTERED BROKERS**

Bidders (other than RIBs) can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchange at <https://www.bseindia.com>, as updated from time to time.

#### **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (“RTA”)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and email address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>.

#### **COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)**

The list of the Collecting Depository Participants (CDPs) eligible to accept Bid-cum-Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

#### **CREDIT RATING**

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

#### **IPO GRADING**

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

#### **DEBENTURE TRUSTEES**

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

## **MONITORING AGENCY**

Since our Issue size does not exceed ₹ 10,000 Lakhs, we are not required to appoint monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 262(1) of SEBI ICDR Regulations. Our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

## **FILING OF THE DRAFT RED HERRING PROSPECTUS**

The Draft Red Herring Prospectus shall be filed on BSE SME situated at 25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001, Maharashtra, India

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Red Herring Prospectus shall not be submitted to SEBI, however, soft copy of Red Herring Prospectus and the Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the offer document in terms of Regulation 246 (2) of the SEBI ICDR Regulations.

A copy of the Red Herring Prospectus along with the material contracts and documents referred elsewhere in the Red Herring Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Ahmedabad situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India at least (3) three working days prior from the date of opening of the Issue.

## **APPRAISING ENTITY**

No appraising entity has been appointed in respect of any objects of this Issue.

## **TYPE OF ISSUE**

The present Issue is considered to be 100% Book-Building Issue.

## **GREEN SHOE OPTION**

No green shoe option is contemplated under the Issue.

## **EXPERTS TO THE ISSUE**

Except as disclosed below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received a written consent dated September 26, 2024 from the Statutory and Peer Reviewed Auditors, namely M/s K.A. Sanghavi and Co. LLP, Chartered Accountants, who hold a valid peer review certificate

from ICAI, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Statutory and Peer Reviewed Auditor, and in respect of their (a) examination report dated September 26, 2024 on the Restated Financial Statements, and (b) report dated September 26, 2024 on the statement of special tax benefits.

Further, our Company has received written consent dated September 26, 2024, from Mr. M. G. Shaikh, Independent Chartered Engineer, to include their name as required under Section 26 (5) of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate dated September 27, 2024 certifying list of equipments of the Company.

Such consent has not been withdrawn as on the date of this Draft Red herring Prospectus. However, the term “expert” and “consent” shall not be construed to mean an “expert” and “consent” as defined under the U.S. Securities Act.

## CHANGES IN AUDITORS

Except as disclosed below, there has been no change in the Statutory Auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus:

Details of Previous Auditor	Details of New Auditor	Date of Change	Reason
<p><b>Sapnesh Sheth &amp; Co</b> 802, 8<sup>th</sup> Floor, Rajhans Bonista, B/h Ram Chowk Temple, Ghod Dod Road, Nr. Panchvati Appartment, Surat-395007, Gujarat, India. <b>Tel No.:</b> 02614029400 <b>Email:</b> <a href="mailto:srshethtax@gmail.com">srshethtax@gmail.com</a> <b>Contact Person:</b> Sapnesh Sheth <b>Membership No.:</b> 102698 <b>Firm Registration No.:</b> 138910W <b>Date of Appointment:</b> September 30, 2022 <b>Reappointed:</b> April 01, 2022 to March 31, 2027 <b>Date of Cessation:</b> May 23, 2024</p>	<p><b>M/s. K.A. Sanghavi and Co. LLP, Chartered Accountants</b> 1001, 1002, 1003, Rajhans Bonista, Ram Chowk, Ghod Dod Road, Surat-395007, Gujarat. <b>Tel No.:</b> +91-261-2653167 / +91-261-2653168 <b>Email:</b> <a href="mailto:beintouch@kascoca.in">beintouch@kascoca.in</a> <b>Contact Person:</b> CA Keyur A. Sanghavi <b>Membership No.:</b> 109227 <b>Firm Registration No.:</b> 0120846W/W100289 <b>Peer Review Registration No.:</b> 016959 <b>Date of Appointment:</b> June 01, 2024 <b>Date of Cessation:</b> NA</p>	June 01, 2024	Due to pre-occupation and engagement in other professional work.

## BOOK BUILDING PROCESS

Book building, in the context of the Issue, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus, the Bid Cum Application Forms and the Revision Forms, if any, within the Price Band and the minimum Bid Lot, which will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] editions of the Gujarati daily newspaper, [●], (Gujarati being the regional language of Gujarat, where our Registered Office is located) each with wide circulation at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their respective website. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager, after the Bid/Issue Closing Date. For details, see “*Issue Procedure*” beginning on page 321 of this Draft Red Herring Prospectus.

**All Bidders other than Anchor Investors participated through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs. In addition to this, the Retail Individual Investors participated through the ASBA process by providing the details of their**

respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs or by using the UPI Mechanism. Non-Institutional Investors with an application size of up to ₹ 5.00 lakhs could use the UPI Mechanism and could also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors were not permitted to participate in the Issue through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs, NIIs and the Anchor Investors, allocation in the Issue will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.

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

For further details, see “Terms of the Issue”, “Issue Structure” and “Issue Procedure” beginning on pages 308,317 and 321 of this Draft Red Herring Prospectus, respectively.

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

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

## UNDERWRITING AGREEMENT

This offer is 100% Underwritten by Smart Horizon Capital Advisors Private Limited (*Formerly known as Shreni Capital Advisors Private Limited*) in the capacity of underwriter to the Issue. The underwriting agreement is dated [●]. Pursuant to the terms of the underwriting Agreement, the obligations of the underwriters are several and are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite the following number of specified securities being issued through this Issue:

(₹ in Lakhs)

Details of the Underwriter	No. of Equity Shares Underwritten*	Amount Underwritten	% of total Issue size underwritten
<b>Smart Horizon Capital Advisors Private Limited</b> ( <i>Formerly known as Shreni Capital Advisors Private Limited</i> ) B/908, Western Edge II, Kanakia Space, Behind Metro Mall, Off Western Express Highway, Magathane, Borivali East, Mumbai - 400066, Maharashtra, India. Tel No: 022 - 28706822 Investor Grievance E-mail: <a href="mailto:investor@shcapl.com">investor@shcapl.com</a> Email: <a href="mailto:director@shcapl.com">director@shcapl.com</a> Website: <a href="http://www.shcapl.com">www.shcapl.com</a> Contact Person: Mr. Parth Shah SEBI Registration No.: INM000013183	Up to 20,50,000*	[●]	100.00%

*\*Includes up to [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

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

## **MARKET MAKER**

\*[●]

*\*The Market Maker shall be appointed prior to filing of the Red Herring Prospectus with the ROC.*

## **DETAILS OF THE MARKET MAKING AGREEMENT**

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with BSE to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issue.

[●] registered with BSE SME will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by BSE and SEBI in 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. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of BSE and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1.00 Lakh shall be allowed to Issue their holding to the Market Maker 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. Based on the IPO price of ₹ [●]/- per share the minimum application lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by BSE.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered

price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.

7. 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.
8. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE from time to time.
9. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by them.
10. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
11. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on BSE SME and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
12. 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.
13. 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.
14. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
15. In case of termination of the abovementioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further, the Company reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.
16. **Risk containment measures and monitoring for Market Maker:** BSE SME will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
17. **Punitive Action in case of default by Market Maker:** BSE SME will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.

18. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹250 Crores, the applicable price bands for the first day shall be:

- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

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

19. The following spread will be applicable on the BSE SME:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	7
4.	Above 100	6

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

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

21. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ BSE from time to time.
22. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.
23. On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.



## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus and after giving effect to this Issue, is set forth below:

(₹ in lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price*
<b>A.</b>	<b>Authorized Share Capital <sup>(1)</sup></b>		
	90,00,000 Equity Shares of face value of ₹10/- each	900.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Equity Capital before the Issue</b>		
	56,26,008 Equity Shares of face value of ₹10/- each	562.60	-
<b>C.</b>	<b>Present Issue in Terms of this Draft Red Herring Prospectus <sup>(1)</sup></b>		
	Issue of up to 20,50,000 Equity Shares of face value of ₹10/- each aggregating up to ₹ [●] Lakhs	Up to 205.00	[●]
	<i>of which</i>		
	Fresh Issue of up to 20,50,000 Equity Shares of face value of ₹10/- each aggregating up to ₹ [●] Lakhs	Up to 205.00	[●]
	<b>Which Includes:</b>		
	Up to [●] Equity Shares of face value of ₹10/- each at a price of ₹ [●] /- per Equity Share reserved as Market Maker Portion	[●]	[●]
	Net issue to Public of Up to [●] Equity Shares of ₹10/- each at a price of ₹ [●] /- per Equity Share to the Public	[●]	[●]
	<b>Of Which</b>		
	At least [●] Equity Shares aggregating up to Rs. [●] Lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	At least [●] Equity Shares aggregating up to Rs. [●] Lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	Not more than [●] Equity Shares aggregating up to Rs. [●] Lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds	[●]	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Capital After the Issue*</b>		
	Up to [●] Equity Shares of face value of ₹10/- each	Up to [●]	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	541.65	
	After the Issue		[●]

\* To be included upon finalisation of Issue Price.

<sup>(1)</sup> The Issue has been authorized by our Board pursuant to resolutions passed at its meetings held on September 25, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on September 26, 2024.

### CLASS OF SHARES

As on the date of Draft Red Herring Prospectus, our Company has only one class of share capital i.e., Equity Shares of ₹10/- each. 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. Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

- The initial authorized share capital of ₹ 1,00,000 /- divided into 10,000 Equity Shares of ₹10/- each.
- The Authorized Share Capital was increased from ₹ 1,00,000 /- divided into 10,000 Equity Shares of ₹10/- each to ₹ 15,00,000 /- divided into 1,50,000 Equity Shares of ₹10/- each vide Shareholders' Resolution dated July 18, 2011.
- The Authorized Share Capital was increased from ₹ 15,00,000 /- divided into 1,50,000 Equity Shares of ₹10/- each to ₹ 25,00,000 /- divided into 2,50,000 Equity Shares of ₹10/- each vide Shareholders' Resolution dated December 16, 2020.
- The Authorized Share Capital was increased from ₹ 25,00,000 /- divided into 2,50,000 Equity Shares of ₹10/- each to ₹ 49,00,000 /- divided into 4,90,000 Equity Shares of ₹10/- each vide Shareholders' Resolution dated September 02, 2022.
- The Authorized Share Capital was increased from ₹ 49,00,000 /- divided into 4,90,000 Equity Shares of ₹10/- each to ₹ 9,00,00,000 /- divided into 90,00,000 equity shares of ₹10/- each vide Shareholders' Resolution dated September 25, 2024.

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

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

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	10,000	10/-	10/-	Cash	Subscription to MOA <sup>(i)</sup>	10,000	1,00,000	Nil
August 01, 2011	10,000	10/-	10/-	Cash	Rights Issue <sup>(ii)</sup>	20,000	2,00,000	Nil
April 10, 2013	35,000	10/-	10/-	Cash	Rights Issue <sup>(iii)</sup>	55,000	5,50,000	Nil
January 03, 2014	30,000	10/-	10/-	Cash	Rights Issue <sup>(iv)</sup>	85,000	8,50,000	Nil
March 01, 2021	1,65,000	10/-	Nil	Other than Cash	Bonus Issue <sup>(v)</sup>	2,50,000	25,00,000	Nil
December 02, 2023	7,192	10/-	600	Cash	Rights Issue <sup>(vi)</sup>	2,57,192	25,71,920	42,43,280
February 16, 2024	4,074	10/-	1259	Cash	Private Placement <sup>(vii)</sup>	2,61,266	26,12,660	93,31,706

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
March 23, 2024	16,512	10/-	1547	Cash	Private Placement <sup>(viii)</sup>	2,77,778	27,77,780	3,47,10,650
May 22, 2024	11,569	10/-	1901	Cash	Private Placement <sup>(ix)</sup>	2,89,347	28,93,470	5,65,87,629
September 11, 2024	23,209	10/-	2195	Cash	Private Placement <sup>(x)</sup>	3,12,556	31,25,560	10,72,99,294
September 25, 2024	53,13,452	10/-	Nil/-	Other than Cash	Bonus Issue <sup>(xi)</sup>	56,26,008	5,62,60,080	5,41,64,774

(i) Initial Subscribers to the Memorandum of Association of our company:

Sr. No	Name	No of Equity Shares
1.	Mr. Pankaj Pruthu Desai	5,000
2.	Ms. Indiraben Pruthubhai Desai	5,000
	<b>Total</b>	<b>10,000</b>

(ii) Right Issue of 10,000 Equity Shares of face value of ₹10/- at a price of ₹10/- each. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

Sr. No	Name	Equity Shares Offered	Equity Shares Received / (Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Mr. Pankaj Pruthu Desai	5,000	0	5,000	5,000	0
2.	Ms. Indiraben Pruthubhai Desai	5,000	0	5,000	5,000	0
	<b>Total</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>

(iii) Right Issue of 35,000 Equity Shares of face value of ₹10/- at a price of ₹10/- each. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

Sr. No	Name	Equity Shares Offered	Equity Shares Received / (Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Mr. Pankaj Pruthu Desai	35,000	0	35,000	0	35,000
2.	Ms. Indiraben Pruthubhai Desai	35,000	0	35,000	35,000	0
	<b>Total</b>	<b>70,000</b>	<b>-</b>	<b>70,000</b>	<b>35,000</b>	<b>35,000</b>

(iv) Right Issue of 30,000 Equity Shares of face value of ₹10/- at a price of ₹10/- each. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

Sr. No	Name	Equity Shares Offered	Equity Shares Received / (Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Mr. Pankaj Pruthu Desai	30,000	0	30,000	30,000	0
2.	Ms. Indiraben Pruthubhai Desai	30,000	0	30,000	0	30,000
	<b>Total</b>	<b>60,000</b>	<b>-</b>	<b>60,000</b>	<b>30,000</b>	<b>30,000</b>

(v) Bonus Issue of 1,65,000 Equity Shares of face value of ₹10/- in the ratio of 33:17 i.e., 33 Bonus equity shares for 17 Equity Shares held allotted on March 01, 2021:

Sr. No	Name	No. of Equity Shares
1.	Mr. Pankaj Pruthu Desai	77,647
2.	Ms. Indiraben Pruthubhai Desai	87,353
	<b>Total</b>	<b>1,65,000</b>

(vi) Right Issue of 7,192 Equity Shares of face value of ₹10/- at a price of ₹600/- each. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

Sr. No	Name	Equity Shares Offered	Equity Shares Received / (Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Ms. Indiraben Pruthubhai Desai	3,807	3,807	0	0	0
2.	Ms. Hina Pankaj Desai	1,439	1,439	0	0	0
3.	Mr. Malhar P Desai	973	973	0	0	0
4.	Mr. Samarth Pankaj Desai	973	973	0	0	0
5.	Mr. Jaysukhbhai Maganlal Thathagar	0	0	7,192	7,192	0
	<b>Total</b>	<b>7,192</b>	<b>7,192</b>	<b>7,192</b>	<b>7,192</b>	<b>0</b>

(vii) Further Issue of 4,074 Equity Shares on private placement basis of face value of ₹10/- at a price of ₹1,259/- each.:

Sr. No	Name	No of Equity Shares
1.	Mr. Bharatbhai V Suthar	397
2.	Mr. Dasharath Rajnikant Bosamiya	608
3.	Mr. Rajat Hareesh Bosmia	397
4.	Ms. Saawi Bhatnagar	687
5.	Mr. Sandeep Singh	1,985
	<b>Total</b>	<b>4,074</b>

(viii) Further Issue of 16,512 Equity Shares on private placement basis of face value of ₹10/- at a price of ₹1,547/- each.:

Sr. No	Name	No of Equity Shares
1.	Ms. Indiraben Pruthubhai Desai	5
2.	Mr. Sohil Mohamedali Budhwani	517
3.	Mr. Vaibhav Singhal	646
4.	Ms. Ayushi Rathore	646
5.	Mr. Bharath Reddy Mittapelly	323

Sr. No	Name	No of Equity Shares
6.	Mr. Nabil Nisarali Sayyad	323
7.	Ms. Renu Goyal	323
8.	Mr. Jagmohan Pal	323
9.	Ms. Yogita Rangnath Ekhande	323
10.	Ms. Jeniva Antony Ephrem	2,585
11.	Mr. Dubariya Piyush Jivanbhai	484
12.	Mr. Anand Prakash Mishra	323
13.	Mr. Ashweni Seth	517
14.	Mr. Pinakin Devidasbhai Shah	323
15.	Mr. Modi Tejas Kanaiyalal	323
16.	Ms. Minakshiben Pinakin Shah	323
17.	M/s. Sagar Rajendra Bamb HUF	452
18.	Mr. Varun Kumar Dubey	323
19.	Mr. Kushal Bhawarlal Jain	646
20.	Mr. Vivek Kumar Bhauka	646
21.	M/s. Viney Equity Market LLP	3,231
22.	Mr. Deepak Gugnani	323
23.	Mr. Vibhor Jain	323
24.	Mr. Sumit Gupta	323
25.	Mr. Praveen Kumar	323
26.	Ms. Urvi Trivedi	323
27.	Ms. Upma Singh	323
28.	Ms. Vijaya Sharma	323
29.	Ms. Ramaben M Shivani	323
30.	Ms. Manisha Kaushik	323
	<b>Total</b>	<b>16,512</b>

(ix) Further Issue of 11,569 Equity Shares on private placement basis of face value of ₹10/- at a price of ₹1,901/- each.:

Sr. No	Name	No of Equity Shares
1.	Mr. Amit Agarwal	2,630
2.	Ms. Harsha Talreja	526
3.	Mr. Jay Parmar	105
4.	Mr. Kushal Bhawarlal Jain	420
5.	Mr. Meet Shah	52
6.	Ms. Nandani Jagad	105
7.	Mr. Rajesh Kumar Singla	1,578
8.	Mr. Ravi Kalathiya	249
9.	Ms. Ria Vispute	1,065
10.	Mr. Sandeep Singh	4,734
11.	Ms. Sonal Jhaveri	105
	<b>Total</b>	<b>11,569</b>

(x) Further Issue of 23,209 Equity Shares on private placement basis of face value of ₹10/- at a price of ₹2,195/- each.:

<b>Sr. No</b>	<b>Name</b>	<b>No of Equity Shares</b>
1.	Mr. Anupkumar Ashokji Gindodiya	136
2.	Ms. Ashweni Seth	227
3.	Mr. Arjit Tak	1,366
4.	Mr. Anand Prakash Mishra	455
5.	Ms. Ayushi Rathore	455
6.	Mr. Dasharath Rajnikant Bosamita	410
7.	Mr. Dhiraj Navghanbhai Karotra	227
8.	Mr. Gagan Deep Kalra	227
9.	Mr. Jagmohan Pal	227
10.	Mr. Jasim Kunnath	911
11.	Ms. Jeniva Antony Ephrem	3,189
12.	Ms. Jyoti Rajesh Shah	227
13.	Ms. Kavita Chandnani	455
14.	Mr. Kenil Jaysukhbhai Thathagar	3,325
15.	Mr. Kushal Bhawarlal Jain	683
16.	Mr. Lovesh Pahil	136
17.	Mr. Maharshiraj Dharmendrasinh Chudasama	455
18.	Ms. Manisha Kaushik	227
19.	Ms. Manjulaben Jivanlal Dubariya	455
20.	Mr. Nabil Nisarali Sayyad	227
21.	Ms. Namrata Singhee	455
22.	Mr. Nandan Pravinbhai Ganatra	911
23.	Ms. Nirmala Chandak	455
24.	Mr. Parag Kilche	227
25.	Mr. Prashant Kishore Sharma	227
26.	Mr. Rajesh Kumar Single	1,366
27.	M/s. Sagar Rajendra Bamb HUF	136
28.	Ms. Shanta Chandru Chandnani	455
29.	Mr. Vaibhav Singhal	227
30.	Ms. Yogita Rangnath Ekhande	455
31.	Mr. Yuv Bansal	683
32.	Mr. Ramesh Kumar Mittal	227
33.	Ms. Sonia Rahul Arora	227
34.	Ms. Vrunda Upendra Dattani	227
35.	Mr. Vivek Kumar Bhauka	1,366
36.	Mr. Anuj Agarwal	455
37.	Mr. Satnam Mahley	182
38.	Mr. Kritarth Rameshbhai Patel	455
39.	Mr. Chetan Singla	227
40.	Ms. Jolly Wilson	226
	<b>Total</b>	<b>23,209</b>

(xi) Bonus Issue of 53,13,452 Equity Shares of face value of ₹10/- in the ratio of 17:1 i.e., 17 Bonus equity shares for 1 Equity Shares held allotted on September 25, 2024:

Sr. No.	Name	No of Equity Shares
1.	Ms. Indiraben Pruthubhai Desai	22,50,001
2.	Ms. Hina Pankaj Desai	8,50,000
3.	Mr. Malhar P Desai	5,75,008
4.	Mr. Samarth Pankaj Desai	5,74,991
5.	Mr. Jaysukhbhai Maganlal Thathagar	1,22,349
6.	Mr. Bharatbhai V Suthar	6,749
7.	Mr. Dasharath Rajnikant Bosamiya	17,306
8.	Mr. Rajat Haresh Bosmia	6,749
9.	Ms. Saawi Bhatnagar	11,679
10.	Mr. Sandeep Singh	1,14,223
11.	Mr. Sohil Mohamedali Budhwani	8,789
12.	Mr. Vaibhav Singhal	14,841
13.	Ms. Ayushi Rathore	18,717
14.	Mr. Bharath Reddy Mittapelly	5,491
15.	Mr. Nabil Nisarali Sayyad	9,350
16.	Ms. Renu Goyal	5,491
17.	Mr. Jagmohan Pal	9,350
18.	Ms. Yogita Rangnath Ekhande	13,226
19.	Ms. Jeniva Antony Ephrem	98,158
20.	Mr. Dubariya Piyush Jivanbhai	8,228
21.	Mr. Anand Prakash Mishra	13,226
22.	Mr. Ashweni Seth	12,648
23.	Mr. Pinakin Devidasbhai Shah	5,491
24.	Mr. Modi Tejas Kanaiyalal	5,491
25.	Ms. Minakshiben Pinakin Shah	5,491
26.	M/s. Sagar Rajendra Bamb HUF	9,996
27.	Mr. Varun Kumar Dubey	5,491
28.	Mr. Kushal Bhawarlal Jain	29,733
29.	Mr. Vivek Kumar Bhauka	34,204
30.	M/s. Viney Equity Market LLP	54,927
31.	Mr. Deepak Gugnani	5,491
32.	Mr. Vibhor Jain	5,491
33.	Mr. Sumit Gupta	5,491
34.	Mr. Praveen Kumar	5,491
35.	Ms. Urvi Trivedi	5,491
36.	Ms. Upma Singh	5,491
37.	Ms. Vijaya Sharma	5,491
38.	Ms. Ramaben M Shivani	5,491
39.	Ms. Manisha Kaushik	9,350
40.	Mr. Amit Agarwal	44,710
41.	Ms. Harsha Talreja	8,942
42.	Mr. Jay Parmar	1,785
43.	Mr. Meet Shah	884
44.	Ms. Nandani Jagad	1,785
45.	Mr. Rajesh Kumar Singla	50,048
46.	Mr. Ravi Kalathiya	4,233
47.	Ms. Ria Vispute	18,105
48.	Ms. Sonal Jhaveri	1,785
49.	Mr. Anupkumar Ashokji Gindodiya	2,312

Sr. No.	Name	No of Equity Shares
50.	Mr. Arjit Tak	23,222
51.	Mr. Dhiraj Navghanbhai Karotra	3,859
52.	Mr. Gagan Deep Kalra	3,859
53.	Mr. Jasim Kunnath	15,487
54.	Ms. Jyoti Rajesh Shah	3,859
55.	Ms. Kavita Chandnani	7,735
56.	Mr. Kenil Jaysukhbhai Thathagar	56,525
57.	Mr. Lovesh Pahil	2,312
58.	Mr. Maharshiraj Dharmendrasinh Chudasama	7,735
59.	Ms. Manjulaben Jivanlal Dubariya	7,735
60.	Ms. Namrata Singhee	7,735
61.	Mr. Nandan Pravinbhai Ganatra	15,487
62.	Ms. Nirmala Chandak	7,735
63.	Mr. Parag Kilche	3,859
64.	Mr. Prashant Kishore Sharma	3,859
65.	Ms. Shanta Chandru Chandnani	7,735
66.	Mr. Yuv Bansal	11,611
67.	Mr. Ramesh Kumar Mittal	3,859
68.	Ms. Sonia Rahul Arora	3,859
69.	Ms. Vrunda Upendra Dattani	3,859
70.	Mr. Anuj Agarwal	7,735
71.	Mr. Satnam Mahley	3,094
72.	Mr. Kritarth Rameshbhai Patel	7,735
73.	Mr. Chetan Singla	3,859
74.	Ms. Jolly Wilson	3,842
	<b>Total</b>	<b>53,13,452</b>

3. Except as disclosed below, we have not issued any Equity Shares for consideration other than cash, at any point of time since Incorporation;

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
March 01, 2021	1,65,000	10/-	Nil	Bonus Issue	Capitalization of Reserves & Surplus	Mr. Pankaj Pruthu Desai	77,647
						Ms. Indiraben Pruthubhai Desai	87,353
September 25, 2024	53,13,452	10/-	Nil	Bonus Issue	Capitalization of Reserves & Surplus	Ms. Indiraben Pruthubhai Desai	22,50,001
						Ms. Hina Pankaj Desai	8,50,000
						Mr. Malhar P Desai	5,75,008
						Mr. Samarth Pankaj Desai	5,74,991
						Mr. Jaysukhbhai Maganlal Thathagar	1,22,349
						Mr. Bharatbhai V Suthar	6,749
						Mr. Dasharath Rajnikant Bosamiya	17,306
Mr. Rajat Haresh Bosmia	6,749						



Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
						Ms. Saawi Bhatnagar	11,679
						Mr. Sandeep Singh	1,14,223
						Mr. Sohil Mohamedali Budhwani	8,789
						Mr. Vaibhav Singhal	14,841
						Ms. Ayushi Rathore	18,717
						Mr. Bharath Reddy Mittapelly	5,491
						Mr. Nabil Nisarali Sayyad	9,350
						Ms. Renu Goyal	5,491
						Mr. Jagmohan Pal	9,350
						Ms. Yogita Rangnath Ekhande	13,226
						Ms. Jeniva Antony Ephrem	98,158
						Mr. Dubariya Piyush Jivanbhai	8,228
						Mr. Anand Prakash Mishra	13,226
						Mr. Ashweni Seth	12,648
						Mr. Pinakin Devidasbhai Shah	5,491
						Mr. Modi Tejas Kanaiyalal	5,491
						Ms. Minakshiben Pinakin Shah	5,491
						M/s. Sagar Rajendra Bamb HUF	9,996
						Mr. Varun Kumar Dubey	5,491
						Mr. Kushal Bhawarlal Jain	29,733
						Mr. Vivek Kumar Bhauka	34,204
						M/s. Viney Equity Market LLP	54,927
						Mr. Deepak Gugnani	5,491
						Mr. Vibhor Jain	5,491
						Mr. Sumit Gupta	5,491
						Mr. Praveen Kumar	5,491
						Ms. Urvi Trivedi	5,491
						Ms. Upma Singh	5,491
						Ms. Vijaya Sharma	5,491
						Ms. Ramaben M Shivani	5,491
						Ms. Manisha Kaushik	9,350
						Mr. Amit Agarwal	44,710
						Ms. Harsha Talreja	8,942

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
						Mr. Jay Parmar	1,785
						Mr. Meet Shah	884
						Ms. Nandani Jagad	1,785
						Mr. Rajesh Kumar Singla	50,048
						Mr. Ravi Kalathiya	4,233
						Ms. Ria Vispute	18,105
						Ms. Sonal Jhaveri	1,785
						Mr. Anupkumar Ashokji Gindodiya	2,312
						Mr. Arjit Tak	23,222
						Mr. Dhiraj Navghanbhai Karotra	3,859
						Mr. Gagan Deep Kalra	3,859
						Mr. Jasim Kunnath	15,487
						Ms. Jyoti Rajesh Shah	3,859
						Ms. Kavita Chandnani	7,735
						Mr. Kenil Jaysukhbhai Thathagar	56,525
						Mr. Lovesh Pahil	2,312
						Mr. Maharshiraj Dharmendrasinh Chudasama	7,735
						Ms. Manjulaben Jivanlal Dubariya	7,735
						Ms. Namrata Singhee	7,735
						Mr. Nandan Pravinbhai Ganatra	15,487
						Ms. Nirmala Chandak	7,735
						Mr. Parag Kilche	3,859
						Mr. Prashant Kishore Sharma	3,859
						Ms. Shanta Chandru Chandnani	7,735
						Mr. Yuv Bansal	11,611
						Mr. Ramesh Kumar Mittal	3,859
						Ms. Sonia Rahul Arora	3,859
						Ms. Vrunda Upendra Dattani	3,859
						Mr. Anuj Agarwal	7,735
						Mr. Satnam Mahley	3,094
						Mr. Kritarth Rameshbhai Patel	7,735
						Mr. Chetan Singla	3,859

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
						Ms. Jolly Wilson	3,842

4. No equity shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and sections 230-234 of the Companies Act, 2013.
5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.
6. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
7. Except as disclosed below, we have not issued any Equity Shares at price that may be below Issue price within last one year from the date of this Draft Red Herring Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
September 25, 2024	53,13,452	10/-	Nil	Bonus Issue	Capitalization of Reserves & Surplus	Ms. Indiraben Pruthubhai Desai	22,50,001
						Ms. Hina Pankaj Desai	8,50,000
						Mr. Malhar P Desai	5,75,008
						Mr. Samarth Pankaj Desai	5,74,991
						Mr. Jaysukhbhai Maganlal Thathagar	1,22,349
						Mr. Bharatbhai V Suthar	6,749
						Mr. Dasharath Rajnikant Bosamiya	17,306
						Mr. Rajat Hareesh Bosmia	6,749
						Ms. Saawi Bhatnagar	11,679
						Mr. Sandeep Singh	1,14,223
						Mr. Sohil Mohamedali Budhwani	8,789
						Mr. Vaibhav Singhal	14,841
						Ms. Ayushi Rathore	18,717
						Mr. Bharath Reddy Mittapelly	5,491
						Mr. Nabil Nisarali Sayyad	9,350
						Ms. Renu Goyal	5,491
Mr. Jagmohan Pal	9,350						
Ms. Yogita Rangnath Ekhande	13,226						
Ms. Jeniva Antony Ephrem	98,158						

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
						Mr. Dubariya Piyush Jivanbhai	8,228
						Mr. Anand Prakash Mishra	13,226
						Mr. Ashweni Seth	12,648
						Mr. Pinakin Devidasbhai Shah	5,491
						Mr. Modi Tejas Kanaiyalal	5,491
						Ms. Minakshiben Pinakin Shah	5,491
						M/s. Sagar Rajendra Bamb HUF	9,996
						Mr. Varun Kumar Dubey	5,491
						Mr. Kushal Bhawarlal Jain	29,733
						Mr. Vivek Kumar Bhauka	34,204
						M/s. Viney Equity Market LLP	54,927
						Mr. Deepak Gugnani	5,491
						Mr. Vibhor Jain	5,491
						Mr. Sumit Gupta	5,491
						Mr. Praveen Kumar	5,491
						Ms. Urvi Trivedi	5,491
						Ms. Upma Singh	5,491
						Ms. Vijaya Sharma	5,491
						Ms. Ramaben M Shivani	5,491
						Ms. Manisha Kaushik	9,350
						Mr. Amit Agarwal	44,710
						Ms. Harsha Talreja	8,942
						Mr. Jay Parmar	1,785
						Mr. Meet Shah	884
						Ms. Nandani Jagad	1,785
						Mr. Rajesh Kumar Singla	50,048
						Mr. Ravi Kalathiya	4,233
						Ms. Ria Vispute	18,105
						Ms. Sonal Jhaveri	1,785
						Mr. Anupkumar Ashokji Gindodiya	2,312
						Mr. Arjit Tak	23,222
						Mr. Dhiraj Navghanbhai Karotra	3,859
						Mr. Gagan Deep Kalra	3,859

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
						Mr. Jasim Kunnath	15,487
						Ms. Jyoti Rajesh Shah	3,859
						Ms. Kavita Chandnani	7,735
						Mr. Kenil Jaysukhbhai Thathagar	56,525
						Mr. Lovesh Pahil	2,312
						Mr. Maharshiraj Dharmendrasinh Chudasama	7,735
						Ms. Manjulaben Jivanlal Dubariya	7,735
						Ms. Namrata Singhee	7,735
						Mr. Nandan Pravinbhai Ganatra	15,487
						Ms. Nirmala Chandak	7,735
						Mr. Parag Kilche	3,859
						Mr. Prashant Kishore Sharma	3,859
						Ms. Shanta Chandru Chandnani	7,735
						Mr. Yuv Bansal	11,611
						Mr. Ramesh Kumar Mittal	3,859
						Ms. Sonia Rahul Arora	3,859
						Ms. Vrunda Upendra Dattani	3,859
						Mr. Anuj Agarwal	7,735
						Mr. Satnam Mahley	3,094
						Mr. Kritarth Rameshbhai Patel	7,735
						Mr. Chetan Singla	3,859
						Ms. Jolly Wilson	3,842

## 8. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as per Regulation 31 of SEBI LODR Regulations as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)*	
								Class - Equity	No of Voting Rights	Class	Total			Total as a % of (A+B+C)	No (a)	As a % of total	No (a)		As a % of total
A	Promoters & Promoter group	4	45,00,000	-	-	45,00,000	79.99%	45,00,000	-	45,00,000	79.99%	-	79.99%	-	-	-	-	2,13,823*	
B	Public	70	11,26,008	-	-	11,26,008	20.01%	11,26,008	-	11,26,008	20.01%	-	20.01%	-	-	-	-	[●]	
C	Non Promoters - Non - Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>	<b>74</b>	<b>56,26,008</b>	<b>-</b>	<b>-</b>	<b>56,26,008</b>	<b>100.00%</b>	<b>56,26,008</b>	<b>-</b>	<b>56,26,008</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>[●]</b>	

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

\*We have entered into a tripartite agreement with CDSL & NSDL and the equity shares are in the process of dematerialization.

9. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of then pre-Issue Equity Share Capital (%)
1	Ms. Indiraben Pruthubhai Desai	23,82,354	42.35%
2	Ms. Hina Pankaj Desai	9,00,000	16.00%
3	Mr. Malhar P Desai	6,08,832	10.82%
4	Mr. Samarth Pankaj Desai	6,08,814	10.82%
5	Mr. Jaysukhbhai Maganlal Thathagar	1,29,546	2.30%
6	Mr. Sandeep Singh	1,20,942	2.15%
7	Ms. Jeniva Antony Ephrem	1,03,932	1.85%
8	M/s. Viney Equity Market LLP	58,158	1.03%
9	Mr. Kenil Jaysukhbhai Thathagar	59,850	1.06%
	<b>Total</b>	<b>49,72,428</b>	<b>88.38%</b>

10. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of then pre-Issue Equity Share Capital (%)
1	Mr. Pankaj Pruthu Desai	1,17,647	47.06%
2	Ms. Indiraben Pruthubhai Desai	1,32,353	52.94%
	<b>Total</b>	<b>2,50,000</b>	<b>100.00%</b>

11. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of then pre-Issue Equity Share Capital (%)
1	Ms. Indiraben Pruthubhai Desai	1,32,348	52.94%
2	Ms. Hina Pankaj Desai	50,000	20.00%
3	Mr. Malhar P Desai	33,824	13.53%
4	Mr. Samarth Pankaj Desai	33,823	13.53%
	<b>Total</b>	<b>2,49,995</b>	<b>100.00%</b>

12. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of then pre-Issue Equity Share Capital (%)
1	Ms. Indiraben Pruthubhai Desai	1,32,353	42.35%
2	Ms. Hina Pankaj Desai	50,000	16.00%
3	Mr. Malhar P Desai	33,824	10.82%
4	Mr. Samarth Pankaj Desai	33,823	10.82%
5	Mr. Jaysukhbhai Maganlal Thathagar	7,197	2.30%
6	Mr. Sandeep Singh	6,719	2.15%
7	Ms. Jeniva Antony Ephrem	5,774	1.85%
8	M/s. Viney Equity Market LLP	3,231	1.03%
9	Mr. Kenil Jaysukhbhai Thathagar	3,325	1.06%
	<b>Total</b>	<b>2,76,246</b>	<b>88.38%</b>

13. Our Company has not made any public Issue (including any rights issue to the public) since its incorporation.
14. Our Company does not have any intention or proposal to alter our capital structure within a period of six (6) months from the date of opening of the 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 bonus, rights, further public issue or qualified institutions placement or otherwise., except that if our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by our Board of Directors to be in the interest of our Company.

## 15. Shareholding of our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 79.99% of the pre- Issued, subscribed and paid-up Equity Share capital of our Company.

Build-up of the shareholding of our Promoters in our Company since incorporation:

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital	Pledge
<b>Mr. Pankaj Pruthu Desai</b>									
Upon Incorporation	Subscription to MOA	Cash	5,000	5,000	10/-	10/-	0.09%	[●]	No
August 01, 2011	Rights Issue	Cash	5,000	10,000	10/-	10/-	0.09%	[●]	No
April 10, 2013	Rights Issue	Cash	-	10,000	10/-	10/-	0.00%	[●]	No
January 03, 2014	Rights Issue	Cash	30,000	40,000	10/-	10/-	0.53%	[●]	No
March 01, 2021	Bonus Issue	Other than cash	77,647	1,17,647	10/-	-	1.38%	[●]	No
April 01, 2023	Transfer to Ms. Hina Pankaj Desai	Cash	(50,000)	67,647	10/-	-*	-0.89%	[●]	No
April 01, 2023	Transfer to Mr. Malhar P Desai	Cash	(33,824)	33,823	10/-	-*	-0.60%	[●]	No
April 01, 2023	Transfer to Mr. Samarth Pankaj Desai	Cash	(33,823)	-	10/-	-*	-0.60%	[●]	No
<b>Total</b>			<b>0</b>				<b>0.00%</b>		
<b>Ms. Indiraben Pruthubhai Desai</b>									
Upon Incorporation	Subscription to MOA	Cash	5,000	5,000	10/-	10/-	0.09%	[●]	No
August 01, 2011	Rights Issue	Cash	5,000	10,000	10/-	10/-	0.09%	[●]	No
April 10, 2013	Rights Issue	Cash	35,000	45,000	10/-	10/-	0.62%	[●]	No
January 03, 2014	Rights Issue	Cash	-	45,000	10/-	10/-	0.00%	[●]	No
March 01, 2021	Bonus Issue	Other than cash	87,353	1,32,353	10/-	-	1.55%	[●]	No
September 22, 2023	Transfer to Mr. Jaysukhbhai Maganlal Thathagar	Cash	(5)	1,32,348	10/-	600 /-	0.00%	[●]	No
March 23, 2024	Private Placement	Cash	5	1,32,353	10/-	1,547/-	0.00%	[●]	No
September 25, 2024	Bonus Issue	Other than cash	22,50,001	23,82,354	10/-	-	39.99%	[●]	No



Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital	Pledge
<b>Total</b>			<b>23,82,354</b>				<b>42.35%</b>	[●]	
<b>Ms. Hina Pankaj Desai</b>									
April 01, 2023	Transfer from Mr. Pankaj Pruthu Desai	Other than cash	50,000	50,000	10/-	-*	0.89%	[●]	No
September 25, 2024	Bonus Issue	Other than cash	8,50,000	9,00,000	10/-	-	15.11%	[●]	No
<b>Total</b>			<b>9,00,000</b>				<b>16.00%</b>		
<b>Mr. Malhar P Desai</b>									
April 01, 2023	Transfer from Mr. Pankaj Pruthu Desai	Other than cash	33,824	33,824	10/-	-*	0.60%	[●]	No
September 25, 2024	Bonus Issue	Other than cash	5,75,008	6,08,832	10/-	-	10.22%	[●]	No
<b>Total</b>			<b>6,08,832</b>				<b>10.82%</b>		
<b>Mr. Samarth Pankaj Desai</b>									
April 01, 2023	Transfer from Mr. Pankaj Pruthu Desai	Other than cash	33,823	33,823	10/-	-*	0.60%	[●]	No
September 25, 2024	Bonus Issue	Other than cash	5,74,991	6,08,814	10/-	-	10.22%	[●]	No
<b>Total</b>			<b>6,08,814</b>				<b>10.82%</b>		

\*Transfer of 1,17,647 Equity Shares of Mr. Pankaj Pruthu Desai to Ms. Hina Pankaj Desai (50,000 Equity Shares), Mr. Malhar P Desai (33,824) Equity Shares) and Mr. Samarth Pankaj Desai (33,823 Equity Shares) via gift deed dated April 01, 2023.

16. Pre-Issue and Post-Issue Shareholding of our Promoters and Promoter Group.

Category of Promoter	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
<b>Promoters</b>				
Ms. Indiraben Pruthubhai Desai	23,82,354	42.35%	[●]	[●]%
Ms. Hina Pankaj Desai	9,00,000	16.00%	[●]	[●]%
Mr. Malhar P Desai	6,08,832	10.82%	[●]	[●]%
Mr. Samarth Pankaj Desai	6,08,814	10.82%	[●]	[●]%
<b>Promoter Group</b>				
-	-	-	-	-
<b>Total</b>	<b>45,00,000</b>	<b>79.99%</b>	[●]	[●]%

17. None of our Directors or Key Managerial Personnel or senior management hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held	% of pre-Issue paid up capital	% of post Issue paid up capital
Mr. Malhar P Desai	Promoter and Whole Time Director	6,08,832	10.82%	[●]%
Mr. Samarth Pankaj Desai	Promoter and Executive Director	6,08,814	10.82%	[●]%
<b>Total</b>		<b>12,17,646</b>	<b>21.64%</b>	[●]%

18. Except as mentioned below, there were no equity shares purchased/sold by the Promoter(s) and Promoter Group, Directors of our Company and their relatives during last six months from the date of this Draft Red Herring Prospectus.

Sr. No	Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Ms. Indiraben Pruthubhai Desai	September 25, 2024	Promoter	22,50,001	-	Bonus Issue
	Ms. Hina Pankaj Desai			8,50,000	-	
	Mr. Malhar P Desai			5,75,008	-	
	Mr. Samarth Pankaj Desai			5,74,991	-	

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

## 20. Promoters' Contribution and Lock-in details

### *Details of Promoter's Contribution locked-in for three (3) years*

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of allotment in this Issue. As on date of this Draft Red Herring Prospectus, our Promoters hold 45,00,000 Equity Shares constituting [●] % of the Post Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 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 commencement of the lock-in period specified below.

Details of the Equity Shares forming part of Promoters' Contribution and their lock-in details are as follows:

Name of Promoter	Date of Allotment/Acquisition & when made fully paid up	No of Equity shares	No of Equity shares locked in	Face Value (in ₹)	Issue Price (in ₹)	Nature of Allotment	% Of Post-Issue Paid-up Capital*	Lock-in Period
Ms. Indiraben Pruthubhai Desai	[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 Years

*\*The above details subject to change post finalization of basis of allotment and to be updated in the Prospectus.*

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- Equity Shares acquired three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoters' Contribution.
- The Equity Shares acquired during the year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being issued to the public in this Issue is not part of the minimum promoter's contribution.
- The Equity Shares held by the Promoters and issued for minimum 20% Promoter's Contribution are not subject to any pledge or any other form of encumbrances.

- Specific written consent has been obtained from the Promoters for inclusion of [●] Equity Shares for ensuring lock-in of three years to the extent of minimum 20 % of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.
- The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI ICDR Regulations.
- We further confirm that our Promoters' contribution of minimum 20% of the post offer Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India or any non-individual public shareholder holding at least five per cent of the post-issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s).

***Equity Shares locked-in for one year other than Minimum Promoters' Contribution***

- Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue [●] Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

***Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors***

- Fifty percent of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

***Inscription or recording of non-transferability***

In terms of Regulation 241 of the SEBI ICDR Regulations, 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.

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

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- (a) if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the 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;
- (b) if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such 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 in these regulations has expired.

***Transferability of Locked in Equity Shares***

- (a) Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
- (b) Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.

21. Neither the Company, nor it's Promoters, Directors or the Book Running Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.

22. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful Applicants will be issued fully paid-up Equity Shares.
23. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
24. As on date of this Draft Red Herring Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOPs till date. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
25. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on page 321 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time.
26. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net 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; so as to ensure that 20% of the post Issue paid-up capital is locked in.
27. Subject to valid applications being received at or above the Issue Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over 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 Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
28. Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large
29. We have 74 (Seventy-four) Shareholders as on the date of filing of this Draft Red Herring Prospectus.
30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. Our Company has not raised any bridge loans.
32. The Equity Shares of our company are in the process of dematerialization.
33. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
34. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this issue.
35. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Red Herring Prospectus and the issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
36. Our Promoters and Promoter Group will not participate in the Issue.
37. There are no safety net arrangements for this Public Issue.

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

#### REQUIREMENT OF FUNDS

The Issue comprises of fresh issue of up to 20,50,000 Equity Shares by our Company aggregating to ₹ [●] Lakhs.

Our Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

1. Funding of capital expenditure requirements of our Company;
2. Funding Working Capital Requirements of our Company; and
3. General corporate purposes.

(Collectively, referred to herein as the “*Objects of the Issue*”)

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Issue. In addition, our Company expects to receive the benefits of listing of Equity Shares on the SME Platform of BSE (BSE SME) including enhancing our visibility and our brand image among our existing and potential customers and creating a public market for our Equity Shares in India.

#### ISSUE PROCEEDS

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

(₹ in Lakhs)

Particulars	Amount*
Gross Proceeds of the Issue	[●]
<b>Less: Issue related Expenses<sup>#</sup></b>	[●]
<b>Net Proceeds of the Issue</b>	[●]

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

*<sup>#</sup>The Issue related expenses shall be determined at the time of filing Prospectus with RoC.*

#### UTILISATION OF NET PROCEEDS

The Net Proceeds are proposed to be utilised in the manner set out in the following table:

(₹ in Lakhs)

Sr. No	Particulars	Estimated Amount*	% of Gross Proceeds	% of Net Proceeds
1.	Funding of capital expenditure requirements of our Company	282.33	[●]	[●]
2.	Funding Working Capital Requirements of our Company	1,800.00	[●]	[●]
3.	General corporate purposes <sup>#</sup>	[●]	[●]	[●]
	<b>Total*</b>	[●]	[●]	[●]

*#The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.*

*\*To be updated in the Prospectus prior to filing with RoC.*

#### PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

The Net Proceeds of the Issue (“**Net Proceeds**”) are currently expected to be deployed in accordance with the schedule as stated below:

(₹ in lakhs)

Sr. No	Object	Estimated Amount to be financed from Net Proceeds*	Estimated Utilization of Net Proceeds in F. Y. 2024-2025*
1.	Funding of capital expenditure requirements of our Company	282.33	282.33
2.	Funding Working Capital Requirements of our Company	1,800.00	1,800.00
3.	General corporate purposes <sup>#</sup>	[●]	[●]

Sr. No	Object	Estimated Amount to be financed from Net Proceeds*	Estimated Utilization of Net Proceeds in F. Y. 2024-2025*
	<b>Total</b>	[●]	[●]

#The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue

\*To be updated in the Prospectus prior to filing with RoC.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and circumstances, management estimates, prevailing market conditions and other external commercial and technical factors including interest rates, exchange rate fluctuations and other charges, which are subject to change from time to time. However, such fund requirements and deployment of funds have not been verified or appraised by any bank, financial institution, or any other external agency or party. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and strategy, competition, contractual terms and conditions and negotiation with lenders, variation in cost estimates and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. For details in relation to the discretion available to our management in respect of use of the Net Proceeds. For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the section titled “*Risk Factors*” on page 36 of this Draft Red Herring Prospectus.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned Objects during Fiscal 2024-25. In the event that the estimated utilization of the Net Proceeds in scheduled fiscal years is not completely met, due to the reasons stated above, the same shall be utilized in the next fiscal year i.e., 2025-2026, as may be determined by the Board, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes, to the extent that the total amount to be utilized towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking debt lenders. In furtherance, that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked 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 the Issue, subject to compliance with applicable laws.

All quotations mentioned in this section are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendor would be engaged to eventually supply the plant and machineries at the same costs. We are yet to place orders for any of the components of the Proposed Objects. The Proposed Objects may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties. Further, the Objects of the Issue includes orders for purchase of machineries which have not yet been placed. There can be no assurance that we would be able to procure such machineries at the estimated costs. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor’s estimates and actual costs for the services may differ from the current estimates. Some of the quotations mentioned above do not include cost of freight, insurance, (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds allocated towards general corporate purposes or through contingencies, if required. In case of increase in the estimated costs, such additional costs shall be incurred from our internal accruals. For further details, see “*Risk Factors*” on page no. 36 of this Draft Red Herring Prospectus.

## **MEANS OF FINANCE**

The fund requirements set out for the aforesaid Objects are proposed to be met entirely from the Net Proceeds, internal accruals, net worth and existing debt financing. 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 through the Net Proceeds and existing identifiable internal accruals as required under the SEBI ICDR Regulations.

## DETAILS OF THE OBJECTS OF THE ISSUE

### 1. Funding of capital expenditure requirements of our Company:

#### **A. Funding of capital expenditure requirements towards setting up of corporate office in Surat, Gujarat:**

Our Company is mainly engaged in providing infrastructure and maintenance services to city gas distribution divisions in India. Our major operations are carried from the state of Gujarat and as on financial year ended on March 31, 2024, 2023 and 2022, our revenue from the state of Gujarat comprises 54.10%, 51.13% and 50.71% of our total revenues.

In line with our strategic objectives and enhance workflow efficiency, we intend to set-up a corporate office in Surat, Gujarat for our business operations. The new premise identified by our Company is situated at Building No. A, Wing No. B, Office No. 701, Swastik Universal, Next to Valentine Theatre, Dumas Road, Umra, Surat-395007, Gujarat, India (**“Proposed Corporate Office”**) having approximately 876.15 sq. ft. carpet area of office space. We propose to acquire the said property on ownership basis from Ms. Seema Sunilkumar Malani and has entered into a sale deed dated September 27, 2024.

Currently, we have established our registered office on a rental commercial property situated at Building No. A, Wing No. B, Office No. 703, Swastik Universal, Next to Valentine Theatre, Dumas Road, Umra, Surat-395007, Gujarat, India. As on the date of this Draft Red Herring Prospectus, the registered office as well as all other place of businesses as mentioned in ‘Our Properties’ under chapter titled “Our Business” on page no. 143 are taken on rent/lease basis by the Company. This proposed expenditure will not only lead to creation of an asset for the Company but will also streamline and enhance the efficiency of business processes by consolidating resources in one location.

#### **Objectives of capital expenditure towards setting up of corporate office in Surat, Gujarat:**

- **Professional Presence:** This will enhance Company's credibility and image among clients, partners, and employees. A stable, owned office can convey professionalism and commitment to stakeholders.
- **Long-Term Security:** Ownership provides stability by eliminating concerns related to lease renewals, potential rent increases, or eviction. This security allows the company to focus on its business operations without uncertain challenges.
- **Accumulating Asset Value:** Having ownership of an office permits the Company to increase its value gradually. This contrasts with renting, where payments contribute to a landlord's asset but do not generate any ownership benefits for the tenant. Over time, as property values increase, the Company benefits from appreciation, which can enhance overall asset value.
- **Consolidation of Resources:** Having multiple offices in the same building facilitates streamlined operations. This proximity can improve communication and collaboration among teams, leading to increased productivity and efficiency.
- **Customization:** With ownership, the Company has the freedom to undertake renovations and improvements tailored to its operational needs. This customization is not typically feasible in rental agreements, where landlords may impose restrictions.

This investment decision will enhance stability and support growth of the company for long-term success.

Our Board in its meeting dated September 29, 2024 took note that an amount of ₹ 114.29 Lakhs is proposed to be utilized towards capital expenditure for setting up of the proposed corporate office from the Net Proceeds. The table below sets forth the break-up of the total estimated costs for setting up of the proposed corporate office:

(₹ in lakhs)

Particulars	Total Estimated Costs <sup>§</sup>	Amount already incurred out of Internal Accruals *	Amount proposed to be funded from the Net proceeds	Carpet Area (Sq. ft.)	Date of Sale Deed	Terms of Payment <sup>^</sup>	Name, address, description and occupation of Owner
Building No. A, Wing No. B, Office No. 701, Swastik Universal, Next to Valentine Theatre, Dumas Road, Umra, Surat-395007, Gujarat, India	116.29	2.00	114.29	876.15 sq. ft.	September 27, 2024	Part-payment of Rs. 57.14 Lakhs before December 15, 2024 and remaining balance of Rs. 57.14 Lakhs before January 31, 2025	<b>Name:</b> Ms. Seema Sunilkumar Malani <b>Address:</b> Resident of: Flat No. B-804, Shyam Sangini, Near G.D. Goenka School, Canal Road, Vesu, Surat - 395007. <b>Occupation:</b> Business
<b>Total</b>	<b>116.29</b>	<b>2.00</b>	<b>114.29</b>				

<sup>§</sup> Total Estimated cost does not comprise of stamp duty/legal/registration charges.

\* Our Company has made payment of ₹ 2.00 lakhs from internal accruals towards acquisition of Corporate Office. As certified by our Statutory Auditors, by way of their certificates dated September 29, 2024.

<sup>^</sup>In terms of sale deed dated September 27, 2024, the payment will be made by our Company in two instalments, subject to second instalment being paid only after receiving NOC from ICICI Bank Limited for loan taken on property by Ms. Seema Sunilkumar Malani bearing loan account no. LBSUR00004806623.

Note:

(1) Except as ICICI Bank Limited loan amount outstanding on property as mentioned above, the said property is free from all encumbrances and have clear title, post-acquisition of the said property, it will be registered in the name of our Company.

(2) The said property to be acquired from the Net Proceeds from Ms. Seema Sunilkumar Malani is not related to any of our Promoters, or any of our directors of our Company.

### Government and Other Approvals

In relation to the proposed corporate office, we are required to obtain certain approvals, which are routine in nature, from certain governmental or local authorities, the status of which is provided below:

Sr. No.	List of Approvals	Stages when it is required
1.	Registration under Gujarat Shops & Establishments Act, 2019	Post purchase of property
2.	Addition of additional place of business in GST Registration Certificate (Gujarat)	
4.	Fire NOC	Received on April 21, 2023

### B. Funding of capital expenditure requirements towards purchase of machineries:

Our Company intends to purchase new concrete mixer machines for our business operations amounting to ₹ 168.04 Lakhs from the Net Proceeds. Our Company has received quotations from different suppliers for such machines and is yet to place any orders or enter into definitive agreements for purchase of machineries. The amount to be spent and machines to be procured by our Company will depend upon business requirements and technology advancement.



### Objectives of capital expenditure towards purchase of machineries:

The Ajax 4 Cum machine (“AJAX machine”) is a versatile concrete mixer primarily to be used by us in the construction of overhead water tanks, sump wells and open wells in water distribution projects as well as in the construction of RCC Stub Piles for renewable energy projects like solar & renewable energy parks.

In water distribution, it plays a crucial role in speeding up the construction of overhead water tanks. The machine automates the process, significantly reducing the need for manual labour while enhancing the quality of work and saving valuable time. In addition to overhead tanks, the AJAX machine is also utilised in the construction of open wells, sump wells, receiving chambers ensuring efficient outcomes.

In the solar & renewable energy projects, the AJAX machine is used in the erection of RCC Stub Piles, which enables installation of solar modules and related construction activities. For instance, the machine aids in building RCC Stub Piles that form part of the infrastructure for solar & renewable energy projects. Additionally, when constructing Inverter Duty Transformers (IDTs) for solar parks, such as setting up infrastructure for transformers, the AJAX machine streamlines the process, reducing manpower requirements.

Our Company currently rents such machines for its operations. By purchasing the AJAX machines, we can accelerate the construction process across various projects, ensuring better output while maintaining consistent quality. The automation it provides will allow us to minimise manual intervention, save costs, optimise time, and deliver optimal results.

The details and total estimated cost of such machines including taxes is as follows:

Description	Quantity	HSN / ASN	Total estimated Costs (₹ in Lakhs) *	Amount to be funded from the Net Proceeds (₹ in Lakhs) *	Total estimated costs (₹ in Lakhs) for which orders are yet to be placed	Percentage of total estimated costs for which orders are yet to be placed	Supplier/ Dealer	Date of Quotation	Expected Date of Delivery	Validity
ARGO 4800 Non-Swivel, Kirloskar Engine with LC BS IV Engine	3	8474 3110	168.04	168.04	168.04	100.00%	M/s. Powertech Equipment Private Limited	September 26, 2024	2 to 3 weeks from the date of purchase order	90 days from the date of quotation
<b>Total</b>			<b>168.04</b>	<b>168.04</b>	<b>168.04</b>	<b>100.00%</b>				

\*Quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable shall be paid out of Internal Accruals.

#### Notes:

(a) We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.

(b) Quotation received from the vendor mentioned above is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged to eventually supply the machineries or at the same costs.

(c) The machinery models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the

total cost of machineries for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

(d) We are not acquiring any second-hand machinery.

(e) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost.

## **2. Funding Working Capital Requirements of our Company**

We fund a majority of our working capital requirements in the ordinary course of business from various banks, unsecured loan and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements and unlocking the internal accruals deployed in working capital. The funding of the incremental working capital requirements will lead to a consequent increase in our profitability, ability to utilize internal accruals for growth opportunities and achieving the proposed targets as per our business plan.

### **Basis of estimation of incremental working capital requirement:**

Our Company proposes to utilize ₹1,800 Lakhs of the Net Proceeds in Fiscal 2024 – 2025 respectively towards our Company's working capital requirements. The balance portion of our Company's working capital requirement shall be met from the working capital facilities availed and internal accruals.

The incremental and proposed working capital requirements, as approved by the Board pursuant to a resolution dated September 29, 2024 and key assumptions with respect to the determination of the same are mentioned below. Our Company's composition of working capital as on and as at March 31, 2024, March 31, 2023 and March 31, 2022 on the basis of restated financial statements and expected working capital requirements for Fiscal 2025 are as set out in the table below: \*

<i>(₹ in Lakhs)</i>					
Sr. No.	Particulars	Restated	Restated	Restated	Provisional
		FY 21-22	FY 22-23	FY 23-24	FY 24-25
<b>I</b>	<b>Current Assets</b>				
	Inventories	34.60	35.20	83.46	791.65
	Trade Receivables	711.22	1,401.56	1,476.72	1972.60
	Cash and Cash Equivalents	19.35	16.80	35.16	149.78
	Short Term Loans and Advances	18.61	12.65	70.69	246.58
	Other Current Assets	259.15	406.02	438.00	1564.03
	<b>Total (A)</b>	<b>1,042.93</b>	<b>1,872.23</b>	<b>2,104.03</b>	<b>4,724.63</b>
<b>II</b>	<b>Current Liabilities</b>				
	Trade payables	281.46	717.49	359.69	722.50
	Other Current Liabilities	196.84	244.88	311.11	320.55
	Short term provisions	-	0.38	89.84	332.17
	<b>Total (B)</b>	<b>478.30</b>	<b>962.75</b>	<b>760.64</b>	<b>1,375.22</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>564.63</b>	<b>909.48</b>	<b>1,343.39</b>	<b>3,349.41</b>
<b>IV</b>	<b>Funding Pattern:</b>				
	Short Term Borrowings & Internal Accruals	564.63	909.48	1343.39	<b>1,549.41</b>
	<b>IPO Proceeds</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>1,800.00</b>

\*As certified by our statutory auditor, M/s K.A. Sanghavi and Co. LLP, Chartered Accountants, pursuant to their certificate dated September 29, 2024

### **Assumptions for working capital projections made by our Company:**

Our Company is engaged in providing infrastructure and maintenance services to city gas distribution divisions in India which require us to maintain both technical and financial proficiency to participate in tenders. Our Company has recently

begun offering services in the power division, focusing on the installation, connectivity, commissioning, and erection of Low Tension (LT) and High Tension (HT) cables. Technical eligibility is evaluated based on past experience in executing various types and capacities of city gas distribution and power division. Financial eligibility, on the other hand, is determined on certain financial parameters such as average turnover of the last three years and the availability of banking facilities for Bank Guarantees/Letters of Credit. To secure projects, our company is required to provide a Performance and Security Deposit Bank Guarantee equal to a fixed percentage of the work Order, which will be intact with the authority until successful completion of the work.

The Performance Bank Guarantee is retained by the customer until the commission of such work. Hence, our Company requires significant amount of working capital in order to bid for projects to meet its existing order book. The non-fund based limit is secured by our Company against margin of Fixed Deposits. This amount of Fixed Deposit is classified under 'Non-Current Investment' in the Restated Financial Statements and management is of the opinion that same should be classified as part of non current investment until the same is released by the authority.

**Key factors contributing to our Projected Working Capital Requirements:**

**Order Book**

As on September 07, 2024, we are executing 56 ongoing projects and have in line 8 upcoming projects aggregating into a combined Order Book of ₹ 16,569.13 Lakhs. (As certified by our statutory auditors, M/s K.A. Sanghavi and Co. LLP, Chartered Accountants, pursuant to their certificate dated September 26, 2024). for the complete details about Our Order Book and about our ongoing and upcoming projects, please refer the section titled "Our Business" on page 143 of this Draft Red Herring Prospectus.

**To Use Margin Money for Guarantees: -**

As part of our business practice and in accordance with customary procedures, we are obligated to provide financial and performance bank guarantees to our project clients as per the terms of our contractual agreements. These guarantees are typically issued to the relevant authority with whom the contractual arrangement has been established. In order to issue these guarantees in favor of our project clients, we are required to set aside a margin amount. This margin serves as collateral for the guarantees and is necessary to satisfy the requirements of the issuing bank in line of Our Order Book for the fiscal FY 2024-2025.

**Future Order Book: -**

To enhance our order book and successfully bid for major projects, we recognize the critical need for sufficient working capital. Adequate working capital not only facilitates project execution upon receiving a Letter of Intent (LOI) but also strengthens our ability to compete for productive contracts.

The table below sets forth the details of holding levels (in days) for Fiscal 2022, Fiscal 2023, Fiscal 2024 and as well as provisional for Fiscal 2025.

Particulars	Restated	Restated	Restated	Provisional
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Inventory Holding Days	12	7	15	25
Debtor Holding Days	129	132	179	80
Creditor Holding Days	106	102	136	30

*\*As certified by our statutory auditors, M/s K.A. Sanghavi and Co. LLP, Chartered Accountants, pursuant to their certificate dated September 29, 2024*

**Key Justifications:**

<b>Inventory</b>	The company is in the business of city gas distribution where invoices are raised on completion of certain stages, thus the Inventory includes WIP at the sites. This WIP at site stand basically due to not certifying of work by the engineer, which gets certified and accepted in next running bill. Further our company has implemented a strategy of bulk procurement of raw material and consumable to timely deliver the large projects which also enable us to get the raw material at discounted prices. Bulk purchasing enables the company to improve profit margins in the long
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	run; however, it also increases the short-term working capital requirements. The company had inventory days of around 15 days in Fiscal 2024. our Company ensures that it can meet project timelines and avoid supply chain disruptions, which is essential for maintaining client satisfaction. This approach, while effective for cost savings, adds to the immediate capital outlay, further straining working capital resources in the short term. . This will also lead to higher Inventory days as against cost of goods sold and is expecting them to be increase at 25 days in Fiscal 2025.
<b>Trade Receivable Days</b>	The company is in the business where receivables hold an important part of the working capital. The projects are milestone based and payments are recovered based upon completion of such milestones as per project timeline. In past years, our Company has focused on expanding its client base, targeting high-value clients who often require extended payment cycles. These clients, while financially secure, tend to have more rigid internal payment processes, resulting in longer receivable periods. In fiscal 2024, Trade Receivable were at a level of 179 days. During the current fiscal i.e. F.Y. 2024-25, the company has diversified its client base where more favorable credit terms are available, apart from that company is having a robust order book largely from PSU's in which the company is expecting to release its receivable approximately to 80 days in Fiscal 2025. This trend is influenced by the standard industry practice wherein approximately 85% to 90% of the project value is received within 80 days, while the remaining 5% to 10% is retained for a defect liability period as per contract terms.
<b>Trade Payables</b>	The company was having a credit period availed from its suppliers in between 106-136 days in previous years. To meet its additional demand from its customers, the company has made a revision in payment policy whereby it is paying its suppliers well in advance to source the raw materials at better rates. Apart from the above our company has implemented a strategy of bulk procurement of raw material and consumable to timely deliver the large projects which also enable us to get us better discounts from our suppliers, This will lead to improved cost of material purchased and consequent increase in overall profitability of Company which has been factored in overall profitability projected for the Company. in addition of the above, as per the recent amendments in income tax act 1961, our company cannot hold payment for more than 45 days of its creditors registered under MSME's. so that by considering all these factors as described above our company is expecting its creditor holding level to be at approximately to 30 days In Fiscal 2025.
<b>Short term loans and Advances</b>	Short Term loans and Advances majorly include advances to suppliers & salary advances given to the employees. These were Rs 70.69 lakhs at the Fiscal Ended on 2024 at a level of 9 days Approx. keeping the order book in view and market scenario, the short term loans and advances are expected be at approximately same level 10 days which will The same is expected to increase to Rs 246.58 Lakhs in Fiscal 2025. To meet the additional sales demand and fulfil its order book, the company will need to make an advance payment to its suppliers. Paying the suppliers well in advance helps the company in receiving trade discount from its suppliers This would ultimately help the company to enhance its bottom-line.
<b>Other current assets</b>	Other Current Assets basically include the Tender Deposits, statutory receivables, taxes paid and prepaid expenses Which are maintained at a level of 54 days to Rs. 438.00 Lakhs in Fiscal 2024. the tender deposits, statutory receivables & taxes paid are directly correlated with the operations of the company. since in the Fiscal 2025, we are expecting robust increase in our operations so our GST Receivable and Advance Taxes paid will also get increased in proportion to increased inventories and increased revenue from operations respectively. Since all the other current assets are directly corelated with operational performance of the company, so that our company is expecting the other current assets to be at approximately same level of 54 days in Fiscal 2025 too.
<b>Cash &amp; Cash Equivalents</b>	Cash and cash equivalent consist of Cash intact in business for its immediate requirements. the business in which company operates that requires some imprest payment at each and every site to fulfill immediate requirement. In the year FY 2024 the requirement of Cash and Cash equivalent was Rs. 35.16 Lakhs which at a level of approx. 4 days.  Since as the operations and revenue are projected to increase in FY 2025, we are planning to maintain cash requirement to slightly increased level i.e. approximately to 6 days. At this the Cash and Cash equivalent we will maintain Rs. 149.78 Lakhs.
<b>Other current Liabilities</b>	Other Current liabilities majorly include expenses payable and statutory dues payable. the major portion in expenses payable is of manpower cost i.e., salary payable. We need to hire more workforce to timely deliver all the projects which will increase our monthly salary cost as well. Apart from that statutory dues payable includes mainly GST Payable which will also get increased

	in proportion to revenue from operations. All these current liabilities are expected to increase marginally with increase in level of operations of the company. For FY 2025, the company expects to keep the other financial liabilities days at 10 Days level and after keeping the days at such level it could be seen that the amount of other financial current liabilities will stand at Rs. 320.55 Lakhs for Fiscal 2025 respectively. This is clearly due to the reason increase in Employee Benefit cost & statutory payables, which will be higher as company is expecting to increase their level of operations.
<b>Short term Provisions</b>	Short term provision majorly includes provision of income tax and gratuity. The major reason in increase is mainly expected on account higher Provision for Income Tax & Gratuity provision which may also increase in correlation of new hiring by the company.

### 3. General Corporate Purpose

Our management will have flexibility to deploy the balance Net Proceeds of the Issue towards general corporate purposes, to be deployed towards including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or repayment of liabilities (on demand) if any or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act and other applicable laws.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals i.e., FY 2025-26.

We further confirm that in terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the Issue.

### **ESTIMATED ISSUE RELATED EXPENSES**

The details of the estimated issue related expenses are tabulated below:

<b>Particulars</b>	<b>Amount (₹ in Lakhs)</b>	<b>As a % of Estimates Issue Expenses</b>	<b>As a % of Issue Size</b>
Book Running Lead Manager fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling, commission and upload fees	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Others, if any (market making, depositories, marketing fees, secretarial, peer review etc.)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

*The fund deployed out of internal accruals is ₹ [●] Lakhs towards issue expenses vide certificate dated [●] having received from Statutory Auditor of our Company and the same will be recouped out of issue expenses.*

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs:

- 1) SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them.
- 2) Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount.
- 3) No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.

- 4) *The commission and processing fees shall be released only after the SCSBs provide a written confirmation to the Book Running Lead Manager not later than 30 days from the finalization of Basis of Allotment by Registrar to the Issue in compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*
- 5) *Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

## **BRIDGE LOANS**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds of the Issue.

## **APPRAISING ENTITY**

The objects of the Issue for which the Net Proceeds will be utilized have not been appraised.

## **MONITORING OF UTILIZATION OF FUNDS**

As this is a Fresh Issue for less than ₹10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI LODR Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

## **INTERIM USE OF FUNDS**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

## **VARIATION IN OBJECTS**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a 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 our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

**OTHER CONFIRMATIONS / PAYMENT TO PROMOTERS AND PROMOTER'S GROUP FROM THE IPO PROCEEDS**

There is no proposal whereby any portion of the Net Proceeds will be paid to our Promoters, Promoter Group, Directors and Key Managerial Personnel, Group Companies, except in the ordinary course of business. Further, there are no existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Group Companies, and/or Key Managerial Personnel.

## BASIS FOR ISSUE PRICE

The Price Band and Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares of our Company is ₹10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

Bidders should read the following basis with the section titled “Risk Factors” and chapters titled “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Our Business” beginning on page 36,220 ,261 143 and respectively, of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions.

### QUALITATIVE FACTORS

Some of the qualitative factors and our strengths which form the basis for the Issue price are:

- Our expertise in city gas distribution sector and providing operations and maintenance services
- Direct Relationship with Suppliers
- Experienced promoters and management team
- Standard Operating Procedures
- Adherence to Safety and Compliance Standards

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see chapter titled “Our Business” beginning on page 143 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented in this chapter is derived from Company’s Restated Financial Statements as at and for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022, has been prepared in accordance with Indian GAAP and in terms of the requirements of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI as amended from time to time. For more details on financial information, investors please refer the chapter titled “Restated Financial Statements” beginning on page 220 of this Draft Red Herring Prospectus. Investors should evaluate our Company taking into consideration its niche business segment and other qualitative factors in addition to the quantitative factors. Some of the quantitative factors which may form the basis for computing the price are as follows:

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

#### 1. Basic and Diluted Earnings / (Loss) Per Share (“EPS”) as per AS 20

##### As per Restated Financial Statements - Post Bonus

Particulars	Basic & Diluted EPS (in ₹)	Weights
March 31, 2024	6.21	3
March 31, 2024	2.21	2
March 31, 2023	1.48	1
<b>Weighted Average</b>	<b>4.09</b>	

#### Notes:

1. 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. Earnings per Equity Share = Profit for the year / Weighted average number of equity shares outstanding during the year.
3. Basic and diluted Earnings per Equity Share are computed in accordance with Accounting Standard 20.
4. The basic and diluted Earnings per Equity Share for the current year and previous year presented have been calculated/restated after considering the bonus issue subsequent to March 31, 2024.
5. The face value of each Equity Share is ₹10/-.



2. **Price Earnings Ratio (“P/E”) in relation to the Price Band of ₹ [●] to ₹ [●] per Equity share of ₹ 10/- each fully paid-up:**

Particulars	P/E (number of times) *
<b>Based on Restated Financial Statements- Post Bonus</b>	[●]
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-24	[●]
P/E ratio based on the Weighted Average Basic & Diluted EPS	[●]

\* To be updated at the price band stage.

Note: P/E ratio has been computed dividing the price per share by Earnings per Equity Share.

3. **Industry P/E Ratio**

Particulars	P/E Ratio
Highest	26.62
Lowest	23.13
Average	24.87

Notes:

- (1) The industry high and low has been considered from the industry peer set provided later in this section.
- (2) The industry P / E ratio mentioned above is for the financial year ended March 31, 2024.
- (3) All the financial information for listed industry peers mentioned above is sourced from the audited financial results of the relevant companies for Fiscal 2024, as available on the website of the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

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

As per Restated Financial Statements

Particulars	RONW (%)	Weights
March 31, 2024	28.83%	3
March 31, 2023	24.37%	2
March 31, 2022	21.43%	1
<b>Weighted Average</b>	<b>26.11%</b>	

Note: Return on Net Worth (%) = Profit for the year / Net Worth at the end of the year.

5. **Net Asset Value (NAV) of face value of ₹10/- each**

As per Restated Financial Statements – Post Bonus

Financial Year	NAV (₹)
March 31, 2024	21.55
March 31, 2023	9.05
March 31, 2022	6.92
Net Asset Value per Equity Share after the Issue at Issue Price	[●]
Issue Price	[●]

\*To be included upon finalization of the Issue Price and will be updated at the Prospectus stage.

Note:

- (1) Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the year / Weighted number of equity shares outstanding at the end of the year.
- (2) Issue Price per Equity Share will be determined on conclusion of the Book Building Process

6. **Comparison of Accounting Ratios with listed Industry Peer**

Name of Company	CMP (₹)	Face Value (₹)	Basic EPS (₹)	PE Ratio (times)	RoNW (%)	NAV per Share (₹)
Desco Infratech Limited	[●]	10	6.21	[●]	28.83%	21.55
<b>Peer Group</b>						

Name of Company	CMP (₹)	Face Value (₹)	Basic EPS (₹)	PE Ratio (times)	RoNW (%)	NAV per Share (₹)
Rudra Gas Enterprise Limited	198.05	10	7.44	26.62	18.01%	31.49
Likhita Infrastructure Limited	387.20	5	16.74	23.13	21.29%	78.62

Source: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

Notes:

- (1) The figures for our company are based on Restated Financial Statements for the year ended March 31, 2024 after taking effect of the Bonus Shares allotted on September 25, 2024.
- (2) The figures for the Peer Group are based on the Standalone Financial Statements filed for the financial year ended March 31, 2024.
- (3) P/E Ratio has been computed based on their respective closing market price on September 27, 2024 as divided by the Basic EPS as on March 31, 2024.
- (4) CMP is the closing prices or the last traded price of respective scripts as on September 27, 2024.
- (5) The Issue Price determined by our Company in consultation with the Book Running Lead Manager is justified by our Company in consultation with the Book Running Lead Manager on the basis of the above parameters.

The face value of our share is ₹10/- per share and the Issue Price is of ₹ [●] per share are [●] times of the face value. Investor should read the above-mentioned information along with the section titled “Risk Factors” beginning on page 36 of this Draft Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled “Restated Financial Statements” beginning on 220 of this Draft Red Herring Prospectus.

## 7. Key Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 26, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s K.A. Sanghavi and Co. LLP, Chartered Accountants by their certificate dated September 26, 2024.

The KPIs of our Company have been disclosed in the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on page 143 and 261 of this Draft Red Herring Prospectus, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 1 of this Draft Red Herring Prospectus.

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

### a) Key Performance Indicators of our Company.

#### As per Restated Financial Statements

(₹ in Lakhs otherwise mentioned)

Key Financial Performance	For the Financial Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations <sup>(1)</sup>	2,939.31	2,922.21	1,985.19
EBITDA <sup>(2)</sup>	555.90	219.32	165.77
EBITDA Margin (%) <sup>(3)</sup>	18.91%	7.51%	8.35%
PAT	345.80	122.72	82.51
PAT Margin (%) <sup>(4)</sup>	11.76%	4.20%	4.16%
Return on Equity (%) <sup>(5)</sup>	28.86%	24.37%	21.43%
Debt to Equity Ratio (times) <sup>(6)</sup>	0.34	1.15	0.80

Key Financial Performance	For the Financial Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Current Ratio (times) <sup>(7)</sup>	2.08	1.47	1.59

*Notes: As certified by our Statutory Auditors by their certificate dated September 26, 2024.*

**Explanation of KPIs:**

- (1) Revenue from operations means the revenue from operations as appearing in the restated financial information.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses – Other Income.
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- (4) PAT Margin is calculated as PAT for the year divided by revenue from operations.
- (5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity.
- (6) Debt to Equity ratio is calculated as Long-Term Debt + Short Term Debt divided by equity.
- (7) Current Ratio is calculated by dividing Current Assets to Current Liabilities.

**b) Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company**

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Financial Information. We use these KPIs to evaluate our performance. Some of these KPIs are not defined under applicable Accounting Standards and are not presented in accordance with applicable Accounting Standards. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing results, when taken collectively with financial measures prepared in accordance with applicable Accounting Standards.

**Explanations for the certain financial data based on Restated Financial Statements**

Key Financial Performance	Explanations
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of the business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Return on Equity	Return on equity provides how efficiently our Company generates profits from shareholders' funds
Debt-Equity Ratio	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Current Ratio	The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year

**c) Comparison with Listed Industry Peers**

**As on March 31, 2024:**

*(₹ in Lakhs otherwise mentioned)*

Key Performance Indicators	Desco Infratech Limited	Rudra Gas Enterprise Limited	Likhita Infrastructure Limited
Revenue from Operations <sup>(1)</sup>	2,939.31	6,376.64	42,209.31
EBITDA <sup>(2)</sup>	555.90	942.04	9,275.08
EBITDA Margin <sup>(3)</sup>	18.91%	14.77%	21.97%
PAT	345.80	472.82	6,603.06

Key Performance Indicators	Desco Infratech Limited	Rudra Gas Enterprise Limited	Likhita Infrastructure Limited
PAT Margin <sup>(4)</sup>	11.76%	7.41%	15.64%
Return on Equity	28.86%	27.62%	24.00%
Debt to Equity	0.34	0.08	-
Current Ratio	2.08	2.28	7.97

As on March 31, 2023:

(₹ in Lakhs otherwise mentioned)

Key Performance Indicators	Desco Infratech Limited	Rudra Gas Enterprise Limited	Likhita Infrastructure Limited
Revenue from Operations <sup>(1)</sup>	2,922.21	4,939.59	35,076.61
EBITDA <sup>(2)</sup>	219.32	718.70	7,716.57
EBITDA Margin <sup>(3)</sup>	7.51%	14.55%	22.00%
PAT	122.72	362.39	6,004.38
PAT Margin <sup>(4)</sup>	4.20%	7.34%	17.12%
Return on Equity	24.37%	58.75%	27.00%
Debt to Equity	1.15	2.18	0.18
Current Ratio	1.47	1.48	5.59

As on March 31, 2022:

(₹ in Lakhs otherwise mentioned)

Key Performance Indicators	Desco Infratech Limited	Rudra Gas Enterprise Limited	Likhita Infrastructure Limited
Revenue from Operations <sup>(1)</sup>	1,985.19	4,310.20	25,713.67
EBITDA <sup>(2)</sup>	165.77	350.64	6,114.47
EBITDA Margin (%) <sup>(3)</sup>	8.35%	8.14%	23.78%
PAT <sup>(4)</sup>	82.51	181.17	4,546.57
PAT Margin (%) <sup>(5)</sup>	4.16%	4.20%	17.68%
Return on Equity	21.43%	52.50%	26.00%
Debt to Equity	0.80	3.17	0.12
Current Ratio	1.59	1.27	8.10

**Explanation of KPIs:**

(1) Revenue from operations means the revenue from operations as appearing in the restated financial information.

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

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

(4) PAT Margin is calculated as PAT for the year divided by revenue from operations.

(5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity.

(6) Debt to Equity ratio is calculated as Long term Debt + Short Term Debt divided by equity.

(7) Current Ratio is calculated by dividing Current Assets to Current Liabilities.

**8. Justification for Basis for Issue price\***

- a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares

Except as mentioned below, there has been no issuance of 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% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Amount (₹)
March 23, 2024	16,512	10/-	1,547/-	Cash	Private Placement	2,55,44,064
September 11, 2024	23,209	10/-	2,195/-	Cash	Private Placement	5,09,43,755
<b>Weighted average cost of acquisition (WACA) Primary issuances (in ₹ per Equity Share)</b>						<b>1,925.63/-</b>

#As certified by Statutory Auditors of our Company, by way of their certificate dated September 30, 2024.

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

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, 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 share capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Since there is eligible transaction of reported under (a) above the price per equity share of our Company based on last five primary and secondary transactions (secondary transactions where promoters, promoter group or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, has not been computed.

**d) Weighted average cost of acquisition, Issue Price**

Based on the disclosures in (a), (b) and (c) above, the weighted average cost of acquisition of Equity Shares as compared with the Price Band is set forth below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price (₹ [●])*	Cap Price (₹ [●])*
Weighted average cost of acquisition of primary issuances	1,925.63/-	[●]	[●]
Weighted average cost of acquisition for secondary transactions	NA	NA	NA
Weighted average cost of acquisition for past 5 primary issuances / secondary transactions, as disclosed above	NA	NA	NA

\*To be included upon finalization of the Price Band and will be updated at the Prospectus stage.

# As certified by Statutory Auditors of our Company, by way of their certificate dated September 30, 2024.

**Explanation for Issue Price being [●] times of weighted average cost of acquisition of secondary sale price of Equity Shares (set out in 8(d) above) along with our Company's key performance indicators and financial ratios for the for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022 and in view of the external factors which may have influenced the pricing of the issue, if any.**

e) **Explanation for Cap Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in 8 (d) above) along with our Company's key performance indicators and financial ratios for the Fiscals 2024, 2023 and 2022.**

[●]\*

\*To be included on finalization of Price Band.

**f) The Issue Price is [●] times of the face value of the equity shares**

The face value of our share is ₹10/- per share and the Issue Price is of ₹ [●] per share are [●] times of the face value. Our Company in consultation with the Book Running Lead Manager believes that the Issue Price of ₹ [●] per share for the

Public Issue is justified in view of the above quantitative and qualitative parameters. Investor should read the above-mentioned information along with the section titled “*Risk Factors*” beginning on page 36 of this *Draft Red Herring Prospectus* and the financials of our Company including important profitability and return ratios, as set out in the chapter titled “*Restated Financial Statements*” beginning on page 220 of this Draft Red Herring Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors,  
Desco Infratech Limited  
(Formally known as Desco Infratech Private Limited)  
A-703, Swastik Universal,  
Next to Valentine Theatre,  
Dumas Road, Umra,  
Surat, Gujarat-395007, India.

Dear Sir(s),

**Sub: Statement of Tax Benefits ('The Statement') available to Desco Infratech Limited (Formally known as Desco Infratech Private Limited) ("The Company") and its shareholders under the Direct and Indirect Tax Laws in India**

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

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

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

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

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

### **Limitations:**

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

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

This statement has been prepared solely in connection with the Proposed Issue by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

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

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

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

**Under the Income Tax Act, 1961 (“the Act”)**

#### **Special tax benefits available to the Company**

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

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

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

#### **NOTES:**

1. The above Annexure of special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Annexure covers only the special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Annexure also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
3. The above Annexure of special tax benefits is as per the current direct tax laws relevant for the assessment year 2024-25. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
5. A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) with effect from Financial Year 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/ incentives. The option under section 115BAA of the Act once exercised cannot be subsequently withdrawn for any future financial year. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

In such a case, the Company is not allowed to claim any of the following deductions/ exemptions under the Act: -

- ✓ Deduction under the provisions of Section 10AA.
- ✓ Deduction under clause (ia) of sub-section (1) of Section 32 (additional depreciation).
- ✓ Deduction under section 32AD or Section 33AB or Section 33ABA
- ✓ Deduction under section 35AD or Section 35CCC
- ✓ Deduction under section 80G

Lower corporate tax rate under Section 115BAA of the Act and Minimum Alternate Tax ("MAT") credit under section 115JAA of the Act which are in general available and hence may not be treated as special tax benefits.

The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2023-24 and onwards.



6. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
7. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

**K.A. SANGHAVI AND CO LLP**

**Chartered Accountants**

Firm Registration Number: 0120846W/ W100289

**CA KEYUR A. SANGHAVI**

Designated Partner

**ICAI Membership Number: 109227**

**Place: Surat**

**Date: 26/09/2024**

**ICAI UDIN: 24109227BKCXSH3186**

## SECTION VI – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

### GLOBAL ECONOMIC OVERVIEW

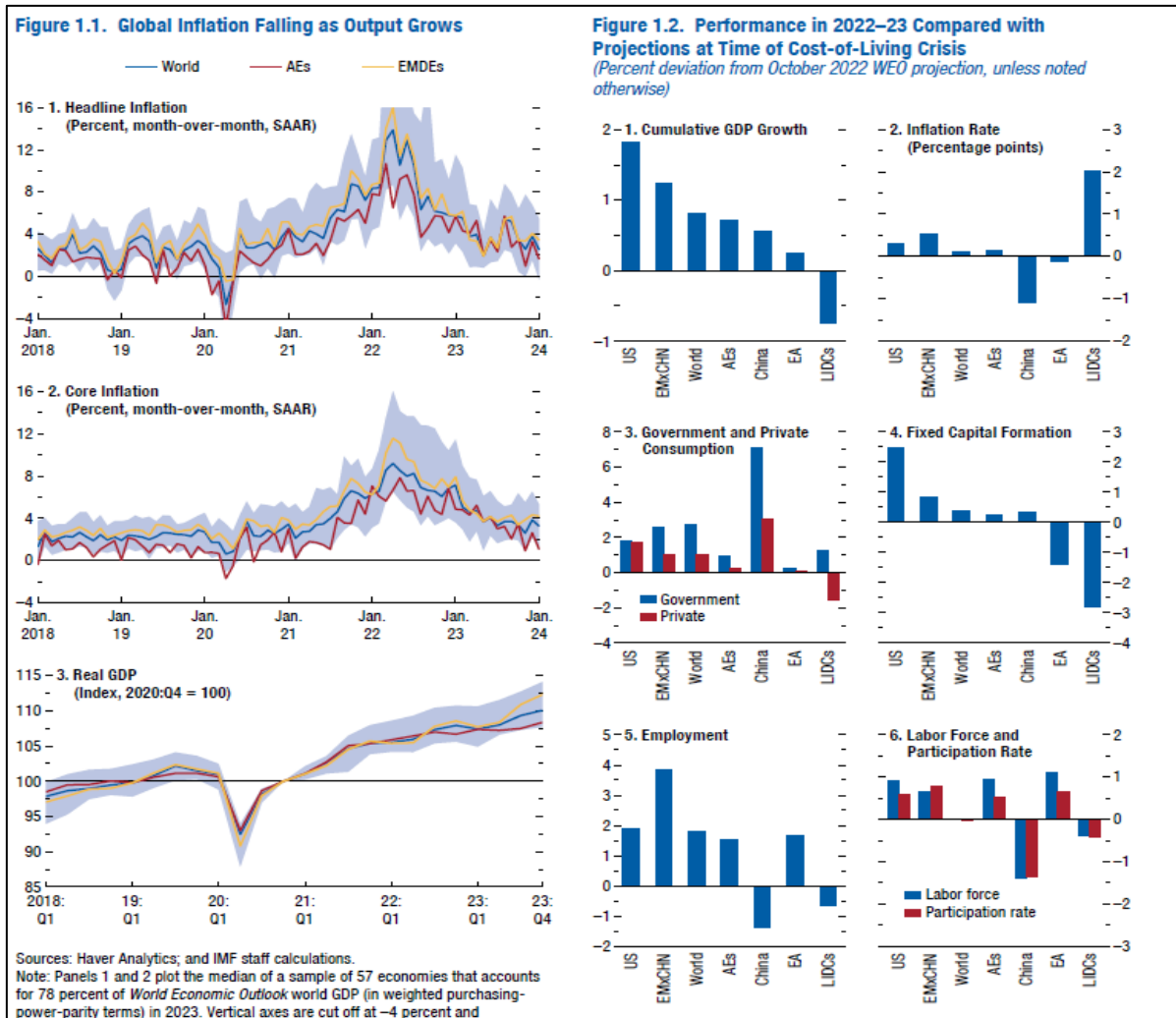
The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies, where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now at 3.1 percent is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. The pace of convergence toward higher living standards for middle- and lower-income and causing target undershoots. At the same time, as central banks take a less restrictive stance, a renewed focus on implementing medium-term fiscal consolidation to rebuild room for budgetary maneuver and priority investments, and to ensure debt sustainability, is in order. Cross-country differences call for tailored policy responses. Intensifying supply-enhancing countries has slowed, implying a persistence in global economic disparities. Risks to the global outlook are now broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labour markets are still tight, raise interest rate expectations and reduce asset prices. A divergence in disinflation speeds among major economies could also cause currency movements that put financial sectors under pressure. High interest rates could have greater cooling effects than envisaged as fixed-rate mortgages reset and households contend with high debt, causing financial stress.

#### **Global economy remains resilient despite uneven growth.**

The global economy remains remarkably resilient, with growth holding steady as inflation returns to target. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian-initiated war on Ukraine that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major emerging market economies did not suffer sudden stops. Moreover, the inflation surge—despite its severity and the associated cost-of-living crisis—did not trigger uncontrolled wage-price spirals. Instead, almost as quickly as global inflation went up, it has been coming down. On a year-over-year basis, global growth bottomed out at the end of 2022, at 2.3 percent, shortly after median headline inflation peaked at 9.4 percent. According to our latest projections, growth for 2024 and 2025 will hold steady around 3.2 percent, with median headline inflation declining from 2.8 percent at the end of 2024 to 2.4 percent at the end of 2025. Most indicators point to a soft landing. Markets reacted exuberantly to the prospect of central banks exiting from tight monetary policy. Financial conditions eased, equity valuations soared, capital flows to most emerging market economies excluding China have been buoyant, and some low-income countries and frontier economies regained market access there will be less economic scarring from the pandemic—the projected drop in output relative to prepandemic projections—for most countries and regions, especially for emerging market economies, thanks in part to robust employment growth. Astonishingly, the US economy has already surged past its prepandemic trend.

Resilient growth and faster disinflation point toward favorable supply developments, including the fading of earlier energy



price shocks, the striking rebound in labor supply supported by strong immigration flows in many advanced economies. Decisive monetary policy actions, as well as improved monetary policy frameworks, especially in emerging market economies, have helped anchor inflation expectations. However, the transmission of monetary policy may have been more muted this time around in countries such as the United States, where an increased share of fixed-rate mortgages and lower household debt levels since the global financial crisis may have limited the drag on aggregate demand up to now.

Despite these welcome developments, numerous challenges remain, and decisive actions are needed. First, while inflation trends are encouraging, we are not there yet. Somewhat worryingly, the most recent median headline and core inflation numbers are pushing upward. This could be temporary, but there are reasons to remain vigilant. Most of the progress on inflation came from the decline in energy prices and goods inflation below its historical average. The latter has been helped by easing supply-chain frictions, as well as by the decline in Chinese export prices. But services inflation remains high sometimes stubbornly so and could derail the disinflation path. Bringing inflation down to target remains the priority. Second, the global view can mask stark divergence across countries. The exceptional recent performance of the United States is certainly impressive and a major driver of global growth, but it reflects strong demand factors as well, including a fiscal stance that is out of line with long-term fiscal sustainability. This raises short-term risks to the disinflation process, as well as longer-term fiscal and financial stability risks for the global economy since it risks pushing up global funding costs. Something will have to give in the euro area, growth will pick up this year, but from very low levels, as the trailing effects of tight monetary policy and past energy costs, as well as planned fiscal consolidation, weigh on activity. Continued high wage growth and persistent services inflation could delay the return of inflation to target. However, unlike in the United States, there is scant evidence of overheating and the European Central Bank will also need to carefully calibrate the pivot toward monetary easing to avoid an excessive growth slowdown and inflation undershoot. While labor markets appear strong, that strength could prove illusory if European firms have been hoarding labor in anticipation of a pickup in activity that does not materialize.

## **Disinflation amid Economic Resilience**

Economic activity was surprisingly resilient during the global disinflation of 2022–23. Growth in employment and incomes has held steady as favorable demand and supply developments have supported major economies, despite rising central bank interest rates aimed at restoring price stability. As inflation converges toward target levels and central banks pivot toward policy easing, a tightening of fiscal policies aimed at curbing high government debt levels, with higher taxes and lower government spending, is expected to weigh on growth. The pace of expansion is also expected to remain low by historical standards as a result of factors including the long-term consequences of the COVID-19 pandemic, Russia’s invasion of Ukraine, weak growth in productivity, and increasing geoeconomics fragmentation.

In late 2023, headline inflation neared its prepandemic level in most economies for the first time since the start of the global inflation surge. In the last quarter of 2023, headline inflation for advanced economies was 2.3 percent on a quarter-over-quarter annualized basis, down from a peak of 9.5 percent in the second quarter of 2022. For emerging market and developing economies, inflation was 9.9 percent in the last quarter of 2023, down from a peak of 13.7 percent in the first quarter of 2022, but this average was driven by high inflation in a few countries; for the median emerging market and developing economy, inflation declined to 3.9 percent. This progress notwithstanding, inflation is not yet at target in most economies.

As global inflation descended from its peak, economic activity grew steadily, defying warnings of stagflation and global recession. During 2022 and 2023, global real GDP rose by a cumulative 6.7 percent. That is 0.8 percentage point higher than the forecasts made at the time of the October 2022 World Economic Outlook (WEO) The United States and several large emerging market and middle-income economies displayed the greatest overperformance, with aggregate demand supported by stronger-than-expected private consumption amid still-tight—though easing—labor markets.

Households in advanced economies supported their spending by drawing down accumulated pandemic-era savings. Larger-than-expected government spending further supported the expansion of aggregate demand in most regions. The overall budgetary stance measured by the structural fiscal balance was more expansionary than expected, on average. Among large economies, the additional budgetary support, compared with October 2022 WEO forecasts, was estimated at 2 percent of GDP in the United States and 0.2 percent of GDP in the euro area, whereas in China,<sup>1</sup> the fiscal stance was mildly tighter than expected, by 0.7 percent of GDP. The euro area also displayed the smallest upside growth surprise, reflecting weak consumer sentiment and the lingering effects of high energy prices.

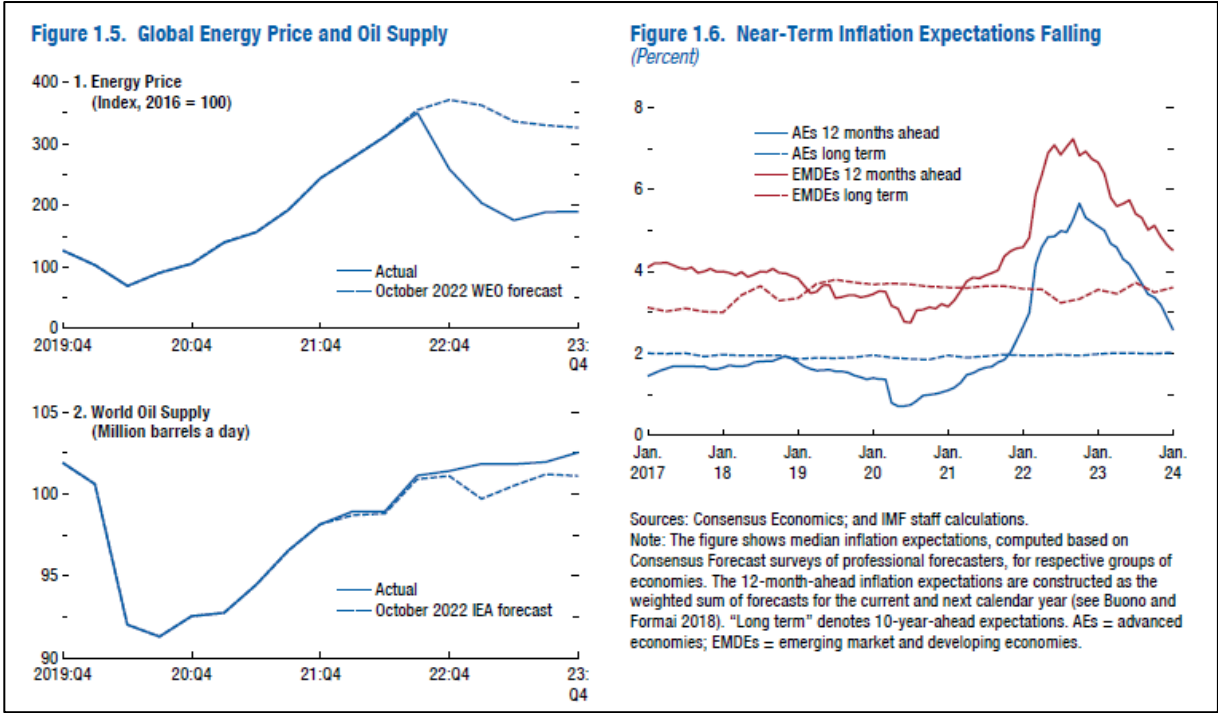
In parallel, global headline inflation declined broadly in line with expectations, averaging just 0.1 percentage point more than predicted in the October 2022 WEO for 2022 and 2023. However, in lower-income countries, inflation was on average higher than expected, reflecting cases in which pass-through into domestic prices from international food, fuel, and fertilizer costs, as well as from currency depreciation, was greater than expected. Price pressures in some lower-income countries were significant. These factors also caused these economies to grow more slowly than expected, suggesting a negative supply shock. In China, inflation fell unexpectedly, with the decrease reflecting sharply lower domestic food prices and pass-through effects on underlying (core) inflation. The resilience in global economic activity was compatible with falling inflation thanks to a post pandemic expansion on the supply side.

A greater-than-expected rise in the labor force amid robust employment growth supported activity and disinflation in advanced economies and several large emerging market and middle-income economies. The labor force expansion reflected, in some economies, increased inflows of migrants, with faster growth in the foreign-born than in the domestic-born labor force since 2021 as well as higher labor force participation rates. Exceptions to this pattern include China, where labor market weakness, in the context of subdued demand, was broad based across sectors, and lower-income countries, where supply-side challenges held job creation back.

## **Inflation (and Expectations) in Decline**

The fall in headline inflation since 2022 reflects the fading of relative price shocks—notably those to energy prices—as well as lower core inflation. The decline in energy prices reflects not only increased global energy supply, but also the effects of tight monetary policies. The monetary tightening by central banks in major advanced economies during 2022–23 may have contributed strongly to lowering energy prices owing to its high degree of synchronization and the associated effect on curbing world energy demand.

Core inflation has declined as a result of the fading of effects of pass-through from past shocks to headline inflation, as well as because labor market pressures have eased. Pass-through effects include the effects of past relative price shocks notably those to the price of energy and supply shifts in various industries on prices and costs in other industries through supply-chain inputs and wage demands. Near-term inflation expectations are an important pass-through channel because of their



implications for both wage and price setting and have declined toward target levels in both advanced economies and emerging market and developing economies, although measures of financial-market-based inflation expectations have recently shown signs of a pickup in the US. Longer-term inflation expectations have remained anchored, despite the string of large shocks since 2020 with decisive communication and action by central banks safeguarding the credibility of their inflation targets and contributed little to recent movements in core inflation.

Labor markets remain tight, especially in the United States, but the recent decline in the ratio of vacancies to the number of unemployed people amid a rise in unemployment rates suggests an easing across several economies. Nominal wage growth has generally remained contained in advanced economies since 2022, especially in the euro area, implying a moderation in real (inflation-adjusted) wages. Real wages are now close to or slightly below the level they were on before the pandemic in these economies. Wage-price spirals in which prices and wages accelerate together for a sustained period have generally not taken hold. Nevertheless, wages at the bottom of the wage distribution have risen faster than the average since the start of the pandemic, compressing the distribution. The roles of these factors in reducing core inflation have diverged across major economies. IMF staff analysis suggests that the rapid fading of pass-through from past relative price movements—in particular from energy price shocks—has played a larger role in the euro area and the United Kingdom than in the United States in reducing core inflation (the staff's methodology was the same as that used in Dao and others 2023). In the United States, labor market tightness and, more broadly, strong macroeconomic conditions, which partly reflect the effects of earlier fiscal stimulus as well as strong private consumption, are the main source of remaining upward pressure on underlying inflation. In the United Kingdom, labor market tightness predating the pandemic may partly explain why inflation has been higher than in the US or euro area following the onset of the pandemic. Accordingly, IMF staff estimates of the gap between actual and potential output levels in 2023 are positive for the United States, at 0.7 percent, and negative for the euro area and for the United Kingdom, at -0.3 percent.

**The Outlook: Steady Growth and Disinflation**

Latest projections are for the global economy to continue growing at a similar pace as in 2023 during 2024–25 and for global headline and core inflation to decline steadily. There is little change in the forecast for global growth since the January 2024 WEO Update, with some adjustments for major economies including a further strengthening in the projection for the United States, offset by modest downward revisions across several other economies. The forecast for global growth remains higher, however, than in the October 2023 WEO. The outlook for inflation is broadly similar to that in the October 2023 WEO, with a downward revision for advanced economies, offset by an upward revision for emerging market and developing economies. Medium-term prospects for growth in world output and trade remain the lowest in decades, with the pace of convergence toward higher living standards slowing for middle- and lower-income countries. The baseline forecasts for the global economy are predicated on a number of projections for global commodity prices, interest rates, and fiscal policies.

- **Commodity price projections:** As explained in the Commodity Special Feature in this chapter, prices by, on average, 9.7 percent, with oil prices falling by about 2.5 percent. The decreases reflect abundant spare capacity and strong non-OPEC+ (Organization of the Petroleum Exporting Countries plus selected nonmember countries, including Russia) supply growth. Coal and natural gas prices are expected to continue declining from their earlier peaks, by 25.1 percent for coal and 32.6 percent for natural gas in 2024, with the gas market becoming increasingly balanced on account of fuel commodities are projected to fall in 2024 new supply, dampened demand, and high storage levels. The forecast for nonfuel commodity prices is broadly stable in 2024, with prices for base metals expected to fall by 1.8 percent, on account of weaker industrial activity in Europe and China. Food commodity prices are predicted to decline by 2.2 percent in 2024. Compared with those in the January 2024 WEO Update, forecasts for food prices have been revised slightly downward, driven by expectations of abundant global supplies for wheat and maize.
- **Monetary policy projections:** With inflation projected to continue declining toward targets and longer-term inflation expectations remaining anchored, policy rates of central banks in major advanced economies are generally expected to start declining in the second half of 2024. Among major central banks, by the fourth quarter of 2024, the Federal Reserve's policy rate is expected to have declined from its current level of about 5.4 percent to 4.6 percent, the Bank of England to have reduced its policy rate from about 5.3 percent to 4.8 percent, and the European Central Bank to have reduced its short-term rate from about 4.0 percent to 3.3 percent. For Japan, policy rates are projected to rise gradually, reflecting growing confidence that inflation will sustainably converge to target over the medium term despite Japan's history of deflation.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024> )

## INDIAN ECONOMY OVERVIEW

### Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

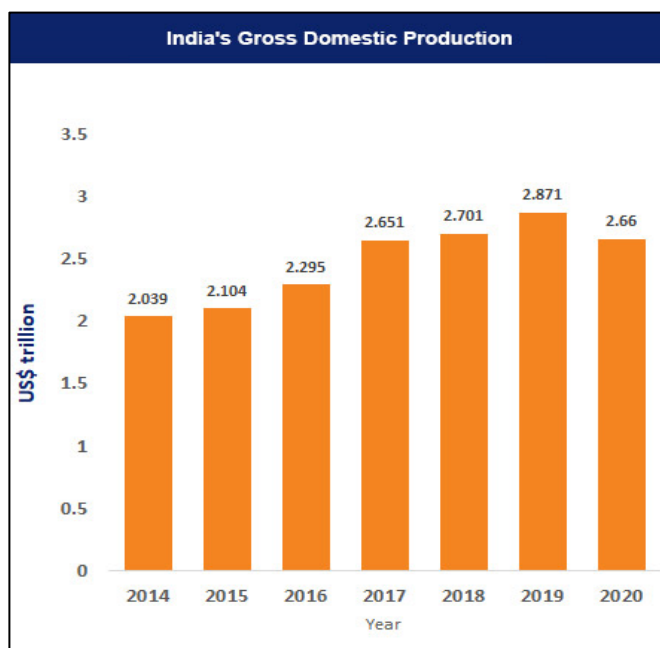
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital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

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

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

## Market Size

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92



trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024. Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 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 same time period. India's current account deficit (CAD) narrowed to 1.2% of GDP in the October-December quarter. The CAD stood at US\$ 10.5 billion for the third quarter of 2023-24 compared to US\$ 11.4 billion or 1.3% of GDP in the preceding quarter. This was largely due to higher service exports.

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

## Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost 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.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.

- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).
- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

### **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:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- 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.



- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- 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 January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The

Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.

- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- 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.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).

- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- 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.
- 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.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025

## **Road Ahead**

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the

country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

## INDIAN INFRASTRUCTURE INDUSTRY

### Introduction

India's high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress.

Infrastructure is a key enabler in helping India become a US \$26 trillion economy. Investments in building and upgrading physical infrastructure, especially in synergy with the ease of doing business initiatives, remain pivotal to increase efficiency and costs. Prime Minister Mr. Narendra Modi also recently reiterated that infrastructure is a crucial pillar to ensure good governance across sectors.

The government's focus on building infrastructure of the future has been evident given the slew of initiatives launched recently. The US\$ 1.3 trillion national master plan for infrastructure, Gati Shakti, has been a forerunner to bring about systemic and effective reforms in the sector, and has already shown a significant headway.

Infrastructure support to the nation's manufacturers also remains one of the top agendas as it will significantly transform goods and exports movement making freight delivery effective and economical.

The "Smart Cities Mission" and "Housing for All" programmes have benefited from these initiatives. Saudi Arabia seeks to spend up to US\$ 100 billion in India in energy, petrochemicals, refinery, infrastructure, agriculture, minerals, and mining.

The infrastructure sector is a key driver of the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government for initiating policies that would ensure the time-bound creation of world-class infrastructure in the country. The infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. In other words, the infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure, and construction development projects.

To meet India's aim of reaching a US\$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as 'Make in India' and the production-linked incentives (PLI) scheme to augment the growth of the infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone toward funding for transportation, electricity, and water, and irrigation.

While these sectors still remain the key focus, the government has also started to focus on other sectors as India's environment and demographics are evolving. There is a compelling need for enhanced and improved delivery across the whole infrastructure spectrum, from housing provision to water and sanitation services to digital and transportation demands, which will assure economic growth, increase quality of life, and boost sectoral competitiveness.

## Market Size

In Interim Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.1% to Rs. 11.11 lakh crore (US\$ 133.86 billion), which would be 3.4 % of GDP. As per the Interim Budget 2023-24, a capital outlay of Rs. 2.55 lakh crore (US\$ 30.72 billion) has been made for the Railways, an increase of 5.8% over the previous year.

Starting with 6,835 projects, the NIP project count now stands at 9,142 covering 34 sub-sectors, as per news reports. Under the initiative, 2476 projects are under the development phase with an estimated investment of US\$ 1.9 trillion. Nearly half of the under-development projects are in the transportation sector, and 3,906 are in the roads and bridges sub-sector.

During FY 2023-24, Total revenue of Indian Railways stands at US\$ 28.89 billion (Rs 2.40 Lakh Crore) as on 15th March. Last year on 15th March, total Revenue was US\$ 26.84 billion (Rs 2.23 Lakh Crore).

India's logistics market is estimated to be US\$ 317.26 billion in 2024 and is expected to reach US\$ 484.43 billion by 2029, growing at a CAGR of 8.8%.

India intends to raise its ranking in the Logistics Performance Index to 25 and bring down the logistics cost from 14% to 8% of GDP, leading to a reduction of approximately 40%, within the next five years.

In December 2022, AAI and other Airport Developers have targeted capital outlay of approximately Rs. 98,000 crore (US\$ 11.8 billion) in airport sector in the next five years for expansion and modification of existing terminals, new terminals and strengthening of runways, among other activities.

India currently has the fifth-largest metro network in the world and will soon overtake advanced economies such as Japan and South Korea to become the third-largest network. Metro rail network reached 810 kms and is operational in 20 cities.

In the last 10 years, 697 km have been added to Metro Rail Network across the country. In 2024, about 945 km of metro rail lines are operational in 21 cities and 919 km is under construction in 26 different cities

At almost 20 kms, Mumbai monorail is the third largest route in the world after China with 98 kms and Japan with 28 kms.

FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.61 billion and US\$ 33.91 billion, respectively, between April 2000-March 2024.

Indian logistics market is estimated to touch US\$ 320 billion by 2025. The overall infrastructure capex is estimated to grow at a CAGR of 11.4% over 2021-26 driven by spending on water supply, transport, and urban infrastructure. Investment in infrastructure contributed around 5% of the GDP in the tenth five-year plan as against 9% in the eleventh five-year plan. Further, US\$ 1 trillion investment in infrastructure was proposed by the India's planning commission during the 12th five-year plan, with 40% of the funds coming from the private sector.

## Investment

Some of the major investments and developments in this sector in the recent past are:

- FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.61 billion and US\$ 33.91 billion, respectively, between April 2000-March 2024.
- 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.
- Larsen & Toubro (L&T) to form L&T Green Energy Council, a think-tank comprising of eminent thought leaders, in a significant step towards building a global green energy business.
- In August 2023, Bharat Heavy Electricals Ltd. (BHEL) and Greenstat Hydrogen India Pvt. Ltd. (GHIPL) signed an MoU for 'Potential Collaboration Opportunities in Green Hydrogen and Derivatives in the Hydrogen Value Chain'. This MoU will help in contributing towards the country's 'National Hydrogen Mission' aimed at making India 'AtmaNirbhar' in this area.

- In December 2022, BHEL formed a consortium with Titagarh Wagons and is among five entities which have bid for the mega Rs. 58,000 crore (US\$ 7 billion) contract to manufacture 200 Vande Bharat trains and maintaining them for the next 35 years.
- In December 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated and laid foundation stone of 8 National Highway projects of 226 km length worth Rs. 1800 crore (US\$ 217.4 million) at Igatpuri, Nashik, Maharashtra.
- In December 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 7 National Highway projects worth Rs. 2,444 crore (US\$ 295 million) with total length of 204 km in Rewa, Madhya Pradesh.
- In November 2022, Prime Ministry of India laid the foundation stone of various road projects worth over Rs. 2200 crore (US\$ 2.6 billion), namely Medak-Siddipet-Elkathurthy section of NH-765DG; Bodhan-Basar-Bhainsa section of NH-161BB; Sironcha to Mahadevpur Section of NH-353C in Telangana.
- In November 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated the construction of 3.8 km long 4-lane elevated structure flyover at Ahmednagar, Maharashtra on National Highway-61 at a cost of Rs. 331.17 crore (US\$ 40 million).
- In October 2022, Prime Ministry of India laid the foundation of road and ropeway projects worth more than Rs. 3,400 crore (US\$ 410 million) in Mana, Uttarakhand.
- In October 2022, National Highways Infra Trust (NHAI InvIT), the infrastructure investment trust sponsored by National Highway Authority of India (NHAI) to support Government of India's National Monetization Pipeline, has raised a sum of Rs. 1,430 crore (US\$ 172.6 million) from domestic and international investors through placement of its units, for part funding its acquisition of three additional road projects from NHAI.
- 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.
- Budget 2023-24 highlights:
  - For FY24, the budgetary allocation for the Ministry of Development of North-eastern Region stood at Rs. 5892 crore (US\$ 711 million).
  - 2,200 crore (US\$ 265.5 million) allocated for Prime Ministers Development Initiative for North-East (PMDevINE) Scheme.
  - 2491 crore (US\$ 300.6 million) was allocated to Northeast Special Infrastructure Development Scheme (NESIDS). 100 PM-GatiShakti Cargo Terminals for multimodal logistics facilities will be developed over next three years.
- The passenger revenue is estimated to be Rs. 70,000 crore (US\$ 8.51 billion), an increase of 9% over the previous year.
- In January 2024, the overall index of eight core industries stood at 164.5\* driven by the production of coal, refinery products, fertilizers, steel, electricity, and cement industries.
- In June 2022 Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 15 National Highway projects in Patna and Hajipur in Bihar worth Rs. 13,585 crore (US\$ 1.75 billion)
- In October 2021, the Dubai government and India, inked an agreement to develop infrastructure such as industrial parks, IT towers, multipurpose towers, logistics centres, a medical college, and a specialised hospital in Jammu & Kashmir.
- A network of 35 Multimodal Logistics Parks is planned to be developed as part of Bharatmala Pariyojana, with a total investment of about Rs. 46,000 crore (US\$ 5.5 billion), which once operational, shall be able to handle around 700 million metric tonnes of cargo. Of this, MMLPs at 15 prioritized locations will be developed with a total investment of about Rs. 22,000 Crore (US\$ 2.6 billion).

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### Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

Under Interim Budget 2024-25:

- The Central government has increased its capital expenditure (capex) allocation to US\$ 133.9 billion (Rs. 11.11 trillion) for the fiscal year beginning April 1, 2024, with a focus on advancing India's infrastructure, as part of a strategic move to stimulate economic growth. An increase of 11.1% from the previous year, the FY25 interim budget allots US\$ 133.9 billion (Rs. 11.11 trillion) for capital expenditures, or 3.4% of GDP.
- With a 37% increase in the current fiscal year, capital expenditures (capex) are on the rise, which bolsters ongoing infrastructure development and fits with Vision 202
- 7 goals for India's economic growth to become a US\$ 5 trillion economy. In order to anticipate private sector investment and to address employment and consumption in rural India, the budget places a strong emphasis on the development of roads, shipping, and railways.
- India's ambitious plan calls for spending US\$ 1.723 trillion (approximately Rs. 143 trillion) on infrastructure between FY24 and FY30, with a particular emphasis on power, roads, and developing industries like renewable energy and electric vehicles.
- Prime Minister Mr. Narendra Modi emphasized that India is committed to attaining net-zero carbon emissions by 2070, and that the country's ambitious goal of 500 gigawatts (GW) of renewable capacity by 2030 should be met. In order to make this possible, he unveiled a plan to raise the proportion of gas in India's energy mix to 15% by 2030, which will involve spending roughly US\$ 67 billion over the course of the following five to six years.
- In Interim Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.1% to Rs.11.11 lakh crore (US\$ 133.86 billion), which would be 3.4 %of GDP.
- The government has decided to allocate Rs. 2.76 lakh crore (US\$ 33.4 billion) towards the Ministry of Roads for 2024-25.
- A capital outlay of Rs. 2.55 lakh crore (US\$ 30.72 billion) has been made for the Railways, an increasedof 5.8% over the previous year.
- The allocation for solar power grid reached Rs. 8,500 crores (US\$ 1.02 billion) from the previous allocation of Rs. 4,970 crores (US\$ 598.80 million).
- The Interim Budget 2024-25 allocated Rs. 1,11,876.6 crore (US\$ 13.5 billion) for the Department of Telecom.
- The government announced Rs. 77,523.58 crore (US\$ 9.3 billion) to the Ministry of Housing and Urban Affairs.
- Three significant economic railway corridor initiatives—energy, port connectivity, mineral and cement, and high traffic density—will be carried out by the railway industry. Additionally, in order to improve passenger safety, convenience, and comfort, forty thousand standard rail bogies will be converted to Vande Bharat standards.
- In the aviation sector, the number of airports has doubled to 149, and currently, 1.3 crore passengers are transported on 517 new routes. Indian airlines have taken the initiative to order more than a thousand new aircraft.
- As part of the PM Awas Yojana (Grameen), two crores more houses to be taken up in the next five years. Despite COVID challenges, the target of three crore houses under PM Awas Yojana (Grameen) will be achieved soon.

## Road Ahead

With a 37% increase in the current fiscal year, capital expenditures (capex) are on the rise, which bolsters ongoing infrastructure development and fits with 2027 goals for India's economic growth to become a US\$ 5 trillion economy. In order to anticipate private sector investment and to address employment and consumption in rural India, the budget places a strong emphasis on the development of roads, shipping, and railways.

Global investment and partnerships in infrastructure, such as the India-Japan forum for development in the Northeast are also indicative of more investments. These initiatives come at a momentous juncture as the country aims for self-reliance in future-ready and sustainable critical infrastructure.

India, it is estimated, needs to invest US\$ 840 billion over the next 15 years into urban infrastructure to meet the needs of its fast-growing population. This investment will only be rational as well as sustainable, if we additionally focus on long-term maintenance and strength of our buildings, bridges, ports, and airports.

As a result of digitalisation and opportunities that tier II and III cities present for economic growth, the divide between metro and non-metros is blurring, moving to the new era of infrastructure growth. Commercial real estate properties have witnessed exponential growth in demand across Tier II & III cities as Information technology and Information technology enabled services and banking financial services and insurance focused organizations are increasingly decentralizing their operations to adapt to the new normal.

The residential sector has witnessed good sales, and launches have also shown signs of an uptick during 2022, total sales in the top-7 cities was projected to exceed 360,000 units in 2022.

Civil Aviation Ministry's "Vision 2040" report states that there will be 190-200 functioning airports in India by 2040. Delhi and Mumbai will have three international airports each, while top 31 Indian cities will have two operational airports each.

220 destinations (airports/heliports/water aerodromes) under UDAN are targeted to be completed by 2026 with 1000 routes to provide air connectivity to unconnected destinations in India.

India's Infrastructure forms an integral part of the country's economic ecosystem. There has been a significant shift in the industry that is leading to the development of world-class facilities across the country in the areas of roads, waterways, railways, airports, and ports, among others. The country-wide smart cities programmes have proven to be industry game-changers. Given its critical role in the growth of the nation, the infrastructure sector has experienced a tremendous boom because of India's necessity and desire for rapid development. The expansion has been aided by urbanisation and an increase in foreign investment in the sector.

The infrastructure sector has become the biggest focus area for the Government of India. India's GDP is expected to grow by 8% over the next three fiscal years, one of the quickest rates among major, developing economies, according to S&P Global Ratings. India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for development of Northeast to undertake strategic infrastructure projects for the region.

India being a developing nation is set to take full advantage of the opportunity for the expansion of the infrastructure sector, and it is reasonable to conclude that India's infrastructure has a bright future ahead of it.

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

## INDIAN OIL & GAS INDUSTRY

### Introduction

The oil and gas sector is among the eight core industries in India and plays a major role in influencing the decision-making for all the other important sections of the economy.

India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to increase, thereby making the sector quite conducive for investment. India retained its spot as the third-largest consumer of oil in the world as of 2023.

The Government has adopted several policies to fulfil the increasing demand. It has allowed 100% foreign direct investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries, among others. The FDI limit for public sector refining projects has been raised to 49% without any disinvestment or dilution of domestic equity in



existing PSUs. Today, it attracts both domestic and foreign investment, as attested by the presence of companies such as Reliance Industries Ltd (RIL) and Cairn India. The industry is expected to attract US\$ 25 billion investment in exploration and production. India is already a refining hub with 23 refineries, and expansion is planned for tapping foreign investment in export-oriented infrastructure, including product pipelines and export terminals.

India's crude oil production stood at 4.89 MMT during April-May 2024.

### **Market Size**

According to the IEA (India Energy Outlook 2021), primary energy demand is expected to nearly double to 1,123 million tonnes of oil equivalent, as India's gross domestic product (GDP) is expected to increase to US\$ 8.6 trillion by 2040.

Indian refining capacity has increased from 215.1 million Metric Tons Per Annum (MMTPA) to 256.8 MMTPA in last 10 years. And it is projected to increase to 309.5 MMTPA by the year 2028.

India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. The consumption of petroleum products has increased from 158.4 million metric tons (MMT) in the fiscal year 2013-14 to 234.3 MMT in the fiscal year 2023-24.

High-Speed Diesel was the most consumed oil product in India and accounted for 38.6% of petroleum product consumption in FY23.

India's consumption of petroleum products stood at almost 4.44 million barrels per day (BPD) in FY23, up from 4.05 million BPD in FY22. India's crude oil production stood at 2.69 MBPD during April-October 2023.

India's LNG import stood at 30,917 million metric tonnes (MMSCM) between April 2023 – March 2024.

According to the International Energy Agency (IEA), consumption of natural gas in India is expected to grow by 25 BCM, registering an average annual growth of 9% until 2024.

### **Investments And Recent Developments**

A few recent developments/investments in the Indian chemical sector are as follows:

According to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflows in India's petroleum and natural gas sector stood at US\$ 8.19 billion between April 2000-March 2024.

- Following are some of the major investments and developments in the oil and gas sector:
- Minister of Petroleum & Natural Gas Mr. Hardeep Singh Puri said the Exploration and Production (E&P) sector offers investment opportunities worth US\$ 100 billion by 2030.
- As of June 1, 2024, India had 10,941 kms of crude pipeline network, with a capacity of 153.1 MMTPA.
- India's crude oil production stood at 4.89 MMT during April-May 2024.
- Indian refining capacity has increased from 215.1 Million Metric Tonne Per Annum (MMTPA) to 256.8 MMTPA in last 10 years. Ans is projected to increase to 309.5 MMTPA by the year 2028.
- India's oil and gas production is expected to achieve a mid-decade peak between 2023-2032, around 2027, driven by the KG-Basin projects operated by Reliance Industries Limited and Oil and Natural Gas Corporation (ONGC).
- With 12,581 kms of refined products pipeline in India, the Indian Oil Corporation Limited (IOCL) leads the segment with 53.84%, as of June 1, 2024.
- The total number of OMC retail outlets increased to 90,165, as of May 1, 2024, from 59,595 in FY17.
- In India, as of May 1, 2024, IOCL owned the highest number of retail outlets (37,511), followed by HPCL (22,050), and BPCL (21,865).
- As of May 1, 2024, there were 25,489 LPG distributors (under PSUs) in India.
- Production of CBM in April 2024 stood at 54.77 MMSCM.
- India's crude oil production stood at 29.4 MMT during April-March 2024

- India's oil demand in the year 2024 is expected to see a growth of 220,000 barrels per day to reach 5.57 million barrels per day, up 4.19% from 2023, as per an estimate by OPEC.
- As announced in May 2023, Jio-bp, the retail fuel joint venture of Reliance and bp will sell diesel mixed with detergents and dispersants at Rs. 1 cheaper per litre than gasoil sold by the state-run companies, such as IOCL, BPCL, and HPCL.
- In FY24, the oil sector's total installed refinery capacity stood at 253.9 MMT up to March 2024, and IOCL emerged as the largest domestic refiner with a capacity of 70.1 MMT
- As of December 31, 2023, Gas Authority of India Ltd. (GAIL) had the largest share (62.14% or 17,099 kms) of the country's natural gas pipeline network (27,516 kms).
- Tata Mining Limited signed an MoU with Gas Authority of India Limited (GAIL), to reduce carbon footprint in its operations, and for the supply of natural gas to its Ferro Alloys Plant at Athgarh in Odisha's Cuttack district. GAIL will supply the agreed quantity of natural gas through its pipeline from Gujarat to Athgarh.
- The Petroleum and Natural Gas Regulatory Board (PNGRB), the downstream regulator, in March 2023, announced that it has amended the PNGRB Determination of Natural Gas Pipeline Tariff regulations to incorporate provisions for Unified Tariff for natural gas pipelines with a mission of "One Nation, One Grid, and One Tariff." Based on the regulations, PNGRB has notified a levelized Unified Tariff of Rs. 73.93/MMBTU and created three tariff zones for Unified Tariff, where the first zone is up to a distance of 300 kms from the gas source, the second zone is 300-1,200 kms, and the third zone is beyond 1,200 kms.
- In February 2023, Oil India Limited commenced the project for India's first exploratory oil well in Mahanadi Onshore Basin in Odisha under OALP.
- In May 2022, ONGC announced plans to invest US\$ 4 billion from FY22-25 to increase its exploration efforts in India.
- In April 2022, Indian Oil Corporation Limited, Larsen & Toubro and Goldman Sachs-backed renewable energy producer ReNew Power formed a joint venture by signing a term sheet. This JV will develop green hydrogen projects, helping India cut down its carbon emissions.
- Exports of petroleum products from India reached 51.4 MMT in FY24 until January 2024.
- The value of exports of crude oil and petroleum products stood at US\$ 44.41 billion. In FY22, crude oil imports stood at 4.24 MBPD, which was worth US\$ 120.4 billion.
- In March 2022, the Board of IOCL approved plans to invest Rs. 7,282 crore (US\$ 932.6 million) for the development of City Gas Distribution (CGD) network in 9 geographical areas (GAs).
- In March 2022, the Board of Oil India approved an investment of Rs. 6,555 crore (US\$ 839.49 million) for Numaligarh petrochemical project.
- In January 2022, Indian Oil Corp. Ltd. (IOCL) announced plans to expand its city gas distribution (CGD) business, looking to invest Rs. 7,000 crore (US\$ 918.6 million).
- In January 2022, Adani Total Gas Ltd (ATGL), a joint venture between the Adani Group and TotalEnergies, won licenses to expand its City Gas Distribution (CGD) network to 14 new geographical areas, with an investment of Rs. 20,000 crore (US\$ 2.62 billion).
- In November 2021, Oil and Natural Gas Corp. Ltd (ONGC) announced that it invested up to Rs. 6,000 crore (US\$ 800 million) in its petrochemicals arm (ONGC Petro Additions Ltd.) to meet its equity requirements.
- In November 2021, Indian Oil, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited announced the launch of the Model Retail Outlet Scheme and a Digital Customer Feedback Programme called Darpan@petrolpump. These three oil PSUs have joined hands to launch model retail outlets to enhance service standards and amenities across their networks, which serve over six crore consumers every day.

## Government Initiatives

Some of the major initiatives taken by the Government of India to promote the oil and gas sector are:

- In budget 2024-25, Rs. 497.25 crore (US\$ 59.75 million) allocated to scheme for Development of Pipeline infrastructure for injection of Compressed Biogas (CBG) in City Gas Distribution (CGD) Network.
- In February 2024, Prime Minister, Mr. Narendra Modi unveiled a strategic investment plan of US\$ 67 billion for the Indian gas sector over next 5-6 years.
- On May 21, 2022, the Government announced a reduction in excise duty of Rs. 8 (US\$ 0.10) per litre on petrol and Rs. 6 (US\$ 0.077) per litre on diesel.
- In May 2022, the government approved changes in the Biofuel Policy to bring forward the target for 20% ethanol blending with petroleum to 2025-26 from 2030.
- In the Union Budget 2022-23, the customs duty on certain critical chemicals such as methanol, acetic acid and heavy feed stocks for petroleum refining were reduced.
- In February 2022, Minister of Petroleum & Natural Gas, and Housing & Urban Affairs, Mr. Hardeep Singh Puri, said that India will more than double its exploration area of oil and gas to 0.5 million sq. km. by 2025 and to 1 million sq. km. by 2030 with a view to increase domestic output.
- In 2022, the Ministry of Petroleum and Natural Gas launched the ninth bid round under the OALP. Under this round, investors have been offered around 223,031.4 square kilometre.
- In November 2021, India announced that it will release 5 million barrels of crude oil from its strategic petroleum reserves in a concerted effort to bring down global crude oil prices. This is roughly equivalent to a day's consumption in the country.
- In October 2021, the Union Ministry of Petroleum & Natural Gas approved a revised project cost of Rs. 28,026 crore (US\$ 3.8 billion) to increase refining capacity for the ongoing Numaligarh Refinery Expansion Project from 3 to 9 MMTPA.
- In September 2021, the Indian government approved oil and gas projects worth Rs. 1 lakh crore (US\$ 13.46 billion) in Northeast India. These projects are expected to be completed by 2025.
- In September 2021, India and the US agreed to expand their energy collaboration by focusing on emerging fuels. This was followed by a ministerial conference of the US-India Strategic Clean Energy Partnership (SCEP).
- In July 2021, the Department for Promotion of Industry and Internal Trade (DPIIT) approved an order allowing 100% foreign direct investments (FDIs) under automatic route for oil and gas PSUs.

## Road Ahead

Rapid economic growth is leading to greater outputs, which in turn is increasing the demand of oil for production and transportation. Crude oil consumption is expected to grow at a CAGR of 4.59% to 500 million tonnes by FY40 from 223.0 million tonnes in FY23. In terms of barrels, India's oil consumption is forecast to rise from 4.05 MBPD in FY22 to 7.2 MBPD in 2030 and 9.2 MBPD in 2050. Diesel demand in India is expected to double to 163 MT by 2029-30, with diesel and petrol covering 58% of India's oil demand by 2045. Demand is not likely to simmer down anytime soon, given strong economic growth and rising urbanisation.

Natural Gas consumption is forecast to increase at a CAGR of 12.2% to 550 MCMPD by 2030 from 174 MCMPD in 2021. Indian refiners would add 56 million tonnes per annum (MTPA) by 2028 to increase domestic capacity to 310 MTPA. India is planning to double its oil refining capacity to 450-500 million tonnes by 2030. Energy demand of India is anticipated to grow faster than energy demand of all major economies globally on the back of continuous robust economic growth. Moreover, the country's share in global primary energy consumption is projected to increase to two-fold by 2035.

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

## OUR BUSINESS

*This chapter 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 chapters titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 36, 220 and 261 respectively, of this Draft Red Herring Prospectus.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for the Financial Years ended on March 31, 2024, 2023 and 2022 included in this Draft Red Herring Prospectus. For further information, see “Restated Financial Statements” beginning on page 220 of this Draft Red Herring Prospectus.*

### OVERVIEW

Our Company was originally incorporated on January 19, 2011 under the name “*Desco Infratech Private Limited*” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat. Subsequently, the status of the Company was changed to public limited Company and the name of our Company was changed to “*Desco Infratech Limited*” vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting of our Company held on June 01, 2024. The fresh certificate of incorporation consequent to conversion was issued on July 26, 2024 by Central Processing Centre. The Corporate Identification Number of our Company is U45201GJ2011PLC063710.

Our Company is engaged in providing infrastructure and maintenance services to city gas distribution divisions in India. We engage in activities such as pipeline laying, installation, testing, erection and commissioning for Piped Natural Gas (PNG) utilized by both domestic and commercial users. Our Operation and Maintenance services (“**O&M Services**”) encompass both underground and above ground gas pipeline work for carbon steel and MDPE pipelines. As part of our O&M Services, we conduct lock pressure and leak detection tests on MDPE pipelines to identify leaks and prevent significant natural gas losses and potential accidents resulting from these leaks. We maintain client dedicated emergency response vehicles designed to detect leaks and deter unauthorized access, addressing potential hazards proactively. When a situation arises, a specialized team comprising an engineer, technicians and support staff is mobilized to the location. This team takes safe and immediate action to assess the situation and implement necessary measures, ensuring a quick operational recovery and minimizing any uninterrupted gas supply.

Our Company has recently begun offering services in the power division, focusing on the installation, connectivity, commissioning, and erection of Low Tension (LT) and High Tension (HT) cables. These services ensure efficient power transmission and distribution across industrial, commercial, and residential applications. In the month of April, 2023, we received our first order from Amnex Infotechnologies Private Limited to provide services works for execution of works for connectivity and laying of double walt cable and HDPE pipes including cabling and termination works for Traffic Signal Lights in Surat under Smart City Scheme.

As part of our business strategy, we have also expanded our service portfolio to include water distribution projects following the closure of the financial year on March 31, 2024. We are now offering infrastructure services such as designing and constructing water distribution networks, open wells, sump wells, overhead tanks, and well systems. We have successfully collaborated with the Public Health Engineering Department (PHED) on the Jal-Jeevan Mission project, involving the supply, installation, laying, and commissioning of HDPE pipes, as well as the construction of overhead tanks and open wells in Jhabua, Madhya Pradesh. Additionally, we have secured our first project in the renewable energy sector with Adani Green Energy Six Limited at the Gujarat Hybrid Renewable Energy Park. This project involves the erection of reinforced concrete (RCC) piles for foundational and structural support, along with the installation of structures and solar modules for energy capture.

For further details on our key events, please see “*History and Certain Corporate Matters- Major Events in the History of our Company*” on page 187 of this Draft Red Herring Prospectus.

We have successfully executed and are currently executing projects across various states of Gujarat, Haryana, Uttar Pradesh and Punjab. We acquire projects through transparent competitive bidding process undertaken by the governments institutions, public sector undertakings and other private institutions. For further details on our current and completed projects, please see “*Our Business – Our Major Projects*” as disclosed in this chapter below.

We attribute our growth of multiple projects implementation to the able leadership and guidance of Mr. Pankaj Pruthu Desai (Promoter, Chairman and Managing Director), Mr. Malhar P Desai (Promoter, Whole Time Director), Mr. Samarth Pankaj Desai (Promoter, Executive Director) and a dedicated qualified team of professionals of the Company. Mr. Pankaj Pruthu Desai has an overall entrepreneurial experience of more than 18 years in city gas distribution & pipeline industry. Mr. Pankaj Pruthu Desai has played a key role in formulating policies, procedures and devising organizational development

plans. His leadership skills, business understanding, expertise and significant experience are instrumental for the growth of our business. His vision has helped the Company to identify opportunities well in time.

Mr. Malhar P Desai looks after the daily operations, tender bid applications and finance in the Company and has over 8 years of working experience with our Company. Mr. Samarth Pankaj Desai looks after the responsibility of human resource department, ensuring project compliances and other administrative tasks in the Company and has over 6 years of working experience with our Company. For further details of our promoters and our management, please see chapters titled “*Our Promoters and Promoter Group*” and “*Our Management*” on pages 211 and 196 of this Draft Red Herring Prospectus.

Our commitment to quality is evident in our systems, which have been accredited with management system certificate for compliance with ISO 9001:2015. Recognizing the importance of adhering to stringent compliance and quality standards mandated by our clients, we undertake regular system checks and are also subjected to client audits, third-parties/ project management companies commissioned by our clients to ensure the quality as per specific assigned projects.

### Key Performance Indicators of our Company

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	For the Financial Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations <sup>(1)</sup>	2,939.31	2,922.21	1,985.19
EBITDA <sup>(2)</sup>	555.90	219.32	165.77
EBITDA Margin (%) <sup>(3)</sup>	18.91%	7.51%	8.35%
PAT	345.80	122.72	82.51
PAT Margin (%) <sup>(4)</sup>	11.76%	4.20%	4.16%
Return on Equity (%) <sup>(5)</sup>	28.86%	24.37%	21.43%
Debt to Equity Ratio ( <i>times</i> ) <sup>(6)</sup>	0.34	1.15	0.80
Current Ratio ( <i>times</i> ) <sup>(7)</sup>	2.08	1.47	1.59

**Notes:** As certified by our Statutory Auditors by their certificate dated September 26, 2024.

#### Explanation of KPIs:

- (1) Revenue from operations means the revenue from operations as appearing in the restated financial information.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses-Other Income.
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- (4) PAT Margin is calculated as PAT for the year divided by revenue from operations.
- (5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity.
- (6) Debt to Equity ratio is calculated as Total Debt divided by equity.
- (7) Current Ratio is calculated by dividing Current Assets to Current Liabilities.

## OUR STRENGTHS

We believe that the following competitive strengths have contributed to our business growth and will continue to drive our success.

### 1. Our considerable experience in city gas distribution sector and providing operations and maintenance services

Since our establishment in the year 2011, we have gained adequate experience in the city gas distribution sector, focusing on pipeline laying, installation, testing, erection, and commissioning for gas distribution companies. Our team is well-versed in the technical requirements and regulatory frameworks that govern this industry. We manage all stages of city gas pipeline projects, ensuring that each phase is executed efficiently and safely. Our processes are designed to adhere to industry standards, which helps us minimize risks and maintain compliance. Our experience in the industry allows us to identify potential challenges early and resolving issues in a timely manner

Additionally, we provide operations and maintenance services to ensure the continuous performance of gas distribution systems. Our commitment to effective service delivery enables us to support our clients in maintaining reliable and safe gas supply networks.

### 2. Direct Relationship with Suppliers

We have established direct relationships with various companies/firms to streamline our material supply chain. This effectively reduces procurement costs by eliminating middlemen, allowing us to negotiate more favorable terms and ensure

greater control over the quality of the products we receive. By working directly with suppliers, we enhance our ability to protect our business interests, ensuring that terms and conditions are transparent and aligned with our needs. Furthermore, our management team leverages their extensive experience in supplier relationship management, which enables us to foster reliable partnerships. This ensures an uninterrupted supply of raw materials but also allows us to respond swiftly to market changes and maintain operational efficiency.

### **3. *Experienced promoters and management team***

Our management team is experienced in the industry in which we are operating and has been responsible for the growth of our operations and financial performance. Our Promoters, Mr. Pankaj Pruthu Desai, Mr. Malhar P Desai and Mr. Samarth Pankaj Desai leads the Company with their vision. They have an adequate experience in the line of the business undertaken by the Company and look after the strategic as well as day to day business operations. The strength and entrepreneurial vision of our Promoters and management have been instrumental in driving our growth and implementing our strategies. Our technical operations at on-sites are being managed by experienced personnel and supervisors who are well versed with our industry and business undertaken by our Company. We are dedicated to the development of the expertise of employees and continue to invest in them to ensure that they have the necessary training required to be successful in today's challenging environment. Our motivated team of management and key managerial personnel complement each other to enable us to deliver high levels of client satisfaction.

For details, relating to the experience of our promoters and management, please see the chapters titled, "*Our Management*" and "*Our Promoters and Promoter Group*" on page 196 and 211 of this Draft Red Herring Prospectus.

### **4. *Standard Operating Procedures***

Structured operating procedures (SOPs) forms a vital strength for our contracting services in the city gas distribution industry. These procedures provide a clear framework for executing tasks related to pipeline installation, maintenance, and safety protocols, ensuring consistency and efficiency across all projects. In the city gas distribution sector, where safety and compliance are paramount, structured SOPs help mitigate risks and enhance operational safety. By following standardized methods like using of non-sparking tools while gas leak check, etc, our teams ensures to maintain high safety standards during all phases of a project, from initial installation to ongoing maintenance.

Additionally, our SOPs facilitate compliance with regulatory requirements and industry standards, which are critical in the gas distribution sector. This not only supports our commitment to safety and quality but also instills confidence in our clients and stakeholders regarding our operational integrity. Regular reviews and updates of our SOPs ensure that they reflect the latest industry practices. This adaptability enables us to respond to changing conditions and continuously improve our service delivery.

### **5. *Adherence to Safety and Compliance Standards***

We prioritize strict compliance with industry standards, regulatory requirements, and safety protocols across all our operations. Our compliance management system is designed to ensure that every project meets legal and environmental regulations, providing a framework for accountability and transparency. Central to our approach is a strong safety culture that emphasizes the well-being of our workforce and stakeholders. We actively promote safety practices through regular training, clear communication, and ongoing assessments of our procedures. To further enhance safety on site, we provide essential safety accessories, including reflector jackets, helmets, and other personal protective equipments, ensuring our teams are well-equipped to minimize risks during operations.

## **OUR STRATEGIES**

The following are the key strategies of our Company for its business:

### **1. *Expanding service portfolio***

As part of our business strategy, we have expanded our service portfolio to include water distribution projects following the closure of the financial year on March 31, 2024. We are now offering infrastructure services such as designing and constructing water distribution networks, open wells, sump wells, overhead tanks, and well systems. Our expertise spans the entire project lifecycle, from registration and design to implementation, supervision, and finalizing contract terms.

We have successfully collaborated with the Public Health Engineering Department (PHED) on the Jal-Jeevan Mission project, involving the supply, installation, laying, and commissioning of HDPE pipes, as well as the construction of overhead tanks and open wells in Jhabua, Madhya Pradesh.

Additionally, we have secured our first project in the renewable energy sector with Adani Green Energy Six Limited at the Gujarat Hybrid Renewable Energy Park. This project involves the erection of reinforced concrete (RCC) piles for foundational and structural support, along with the installation of structures and solar modules for energy capture.

For further details on our key events, please see “*History and Certain Corporate Matters- Major Events in the History of our Company*” on page 187 of this Draft Red Herring Prospectus.

## **2. Expanding Operation & Management Services:**

We foresee substantial growth opportunities in our Operation & Management (O&M) services offerings due to the increasing number of pipeline projects in India and the aging of existing pipelines. This is expected to drive a significant demand for our O&M services, which encompass various activities such as annual maintenance services, repairs and modernization, scheduled shutdowns, and overhauling of existing pipeline projects. By capitalizing on these opportunities, we aim to further enhance our O&M services business and cater to the evolving needs of the pipeline industry.

## **3. Enhancing Working Capital Management:**

Effective working capital management is crucial for the financial health and success of our business. We are committed to enhancing our working capital management practices by employing strategies that optimize cash flow, reduce operating costs, and mitigate risks. To achieve this, we closely monitor and analyze our receivables, payables, and inventory levels. By efficiently managing our accounts receivable, we aim to minimize the collection period and improve cash inflow. Additionally, we work towards negotiating favorable terms with our suppliers to optimize payment schedules and ensure timely delivery of goods and services while maximizing cash outflows.

Furthermore, we implement robust inventory management techniques, such as just-in-time inventory and demand forecasting, to minimize excess inventory and associated holding costs. Through these measures, we strive to achieve a balanced and efficient working capital structure, enabling us to meet our financial obligations, invest in growth opportunities, and enhance overall business performance.

## **4. Continuing Client Relationship Development and Expansion:**

To achieve sustained growth, we are committed to fostering strong client relationships and expanding our client base. Our focus remains on providing adequate service and meeting the evolving needs of our existing clients. We believe that nurturing long-term relationships built on trust and reliability is essential for the success of our business. By understanding their unique requirements and offering tailored solutions, we aim to attract new clients and enhance our market presence. Through our commitment to exceptional client service and a customer-centric approach, we are confident in strengthening our position in the market and achieving sustained growth in the pipeline infrastructure and related industries.

## **5. Enhancing Operational Performance**

We are dedicated to continuously enhancing our operational efficiency. We achieve this by fostering better synergy between departments and stakeholders through effective management control and optimized labor management. Our focus on process improvement involves ongoing skills upgrades to align our team with operational needs. We also instill a strong commitment to quality among all employees, ensuring that everyone contributes to our efficiency goals.

## **OUR BUSINESS PROCESS**

Our business can be classified under the following heads:

### **1) City Gas Distribution Network Projects:**

Our scope of services under city gas distribution network projects includes complete gas pipeline connections through laying, installation, testing, erection and commissioning for Piped Natural Gas (PNG) utilized by both domestic and commercial users.

Our Operation and Maintenance services (“O&M Services”) encompass various activities such as annual maintenance services, repairs and modernization, scheduled shutdowns, and overhauling of existing pipeline projects. We provide O&M Services both underground and above ground gas pipeline work for carbon steel and MDPE pipelines. We conduct lock pressure and leak detection tests on MDPE pipelines to identify leaks and prevent significant natural gas losses and potential accidents resulting from these leaks.

Our response vehicles are designed to detect leaks and deter unauthorized access, addressing potential hazards proactively. When a situation arises, a specialized team comprising an engineer, technicians and support staff is dispatched to the location. This team takes immediate action to assess the situation and implement necessary measures, ensuring a quick operational recovery and minimizing any disruptions.

## ***2) Power Distribution Projects***

Our Company provides power connectivity services under this section through installation, erection, and commissioning of both Low Tension (LT) and High Tension (HT) cables.

- **Installation:**

Our team expertly handles the entire installation process, ensuring that all cables are laid out correctly and efficiently according to the specific project requirement.

- **Laying:**

We provide services for laying of underground cable. This includes mounting of support structures, proper alignment and jointing of cables, and securing connections to ensure durability and reliability under various environmental conditions.

- **Commissioning:**

Our commissioning services involve thorough testing and validation of the installed systems. We perform various tests to check for insulation resistance, continuity, and overall system integrity. This ensures that the LT and HT cables operate optimally and meet regulatory and safety standards before they are put into service.

## ***3) Water distribution projects and other associated works***

Our Company have recently extended its service portfolio in water distribution projects. We are now offering infrastructure services such as designing and constructing water distribution networks, open wells, sump wells, overhead tanks, and well systems. Our expertise spans the entire project lifecycle, from registration and design to implementation, supervision, and finalizing contract terms.

We provide supply and laying of HDPE & ductile iron pipeline till consumer end by installing these pipes for efficient water distribution. HDPE pipes, chosen for their flexibility and corrosion resistance, undergo precise trenching, laying, and jointing processes. Ductile iron pipes, valued for their strength and durability, are installed to ensure reliable, leak-proof connections.

## ***4) Foundational Support in Renewable Energy Projects***

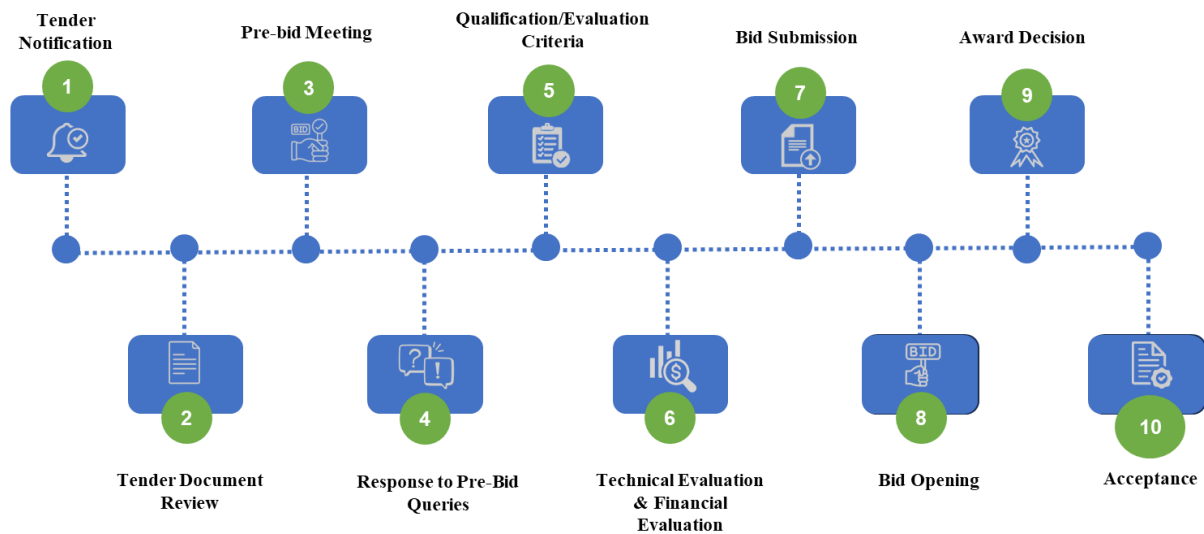
Our Company has recently secured its first project in the renewable energy sector with Adani Green Energy Six Limited at the Gujarat Hybrid Renewable Energy Park. Our responsibilities include civil, foundational, and structural work, specifically involving drilling, fabrication, and erection in accordance with client-approved drawings and specifications. We will also install the Module Mounting Structure (MMS) in concrete, ensuring proper elevation, alignment, and leveling as outlined in the detailed plans.

The erection process involves assembling robust support frameworks using metal or concrete supports to securely anchor solar panels, maximizing sunlight exposure and enhancing energy integration. Commissioning the solar modules entails a comprehensive approach to ensure all systems, including panels and related equipment, are operational. This involves rigorous testing to verify functionality and electrical connections, as well as performance assessments under real-world conditions to meet specified energy output requirements.

Safety checks are critical throughout this process, ensuring all safety protocols protect personnel and equipment. Our team collaborates closely with the client on-site, conducting regular tests and adhering to operational guidelines to ensure efficiency and safety in all operations.



## PROJECT PROCUREMENT FLOW CHART



### 1. Tender Notification:

We receive notifications about upcoming tenders from various sources, including clients, project management companies, or consultants associated with specific projects. These notifications inform us of new opportunities and provide essential details such as project scope, timelines, and submission deadlines.

### 2. Tender Document Review:

Our team conducts a comprehensive review of the tender documents provided. This includes analyzing specifications, terms and conditions, project requirements, and any other relevant information to ensure we fully understand the expectations and scope of work involved.

### 3. Pre-bid Meeting:

If required, a pre-bid meeting is generally scheduled for all interested participants to discuss the project and clarify any doubts. This meeting serves as an open forum where potential vendors can raise their queries regarding the tender. Questions are typically submitted in advance via email to the clients or their consultants, allowing for structured responses during the meeting.

### 4. Response to Pre-Bid Queries:

Following the pre-bid meeting, the client or their consultant provides detailed responses to the queries raised by participants. This feedback is crucial, as it helps all vendors gain clarity on project specifics and expectations, ensuring a fair and informed bidding process.

### 5. Qualification/Evaluation Criteria:

The tender documents outline specific qualification and evaluation criteria that participants must meet. This may include financial stability, relevant experience, certifications, and adherence to safety and quality standards. Understanding these criteria is vital for tailoring bids that align with the client's expectations.

### 6. Technical Evaluation & Financial Evaluation:

Once bids are submitted, they undergo a dual evaluation process. The technical evaluation assesses compliance with project specifications and experience with similar projects. The financial evaluation examines pricing structures, cost competitiveness, and overall value for money. Participants are also required to submit supporting documentation, such as evidence of previous work and detailed financial statements, to substantiate their bids.

### 7. Bid Submission:

Company completes all necessary forms and submit their bids electronically or in hard copy, as specified in the tender documents. It is crucial that bids are submitted within the designated timeline to ensure eligibility for consideration.

## 8. Bid Opening:

After the submission deadline, bids are officially opened in a transparent manner.

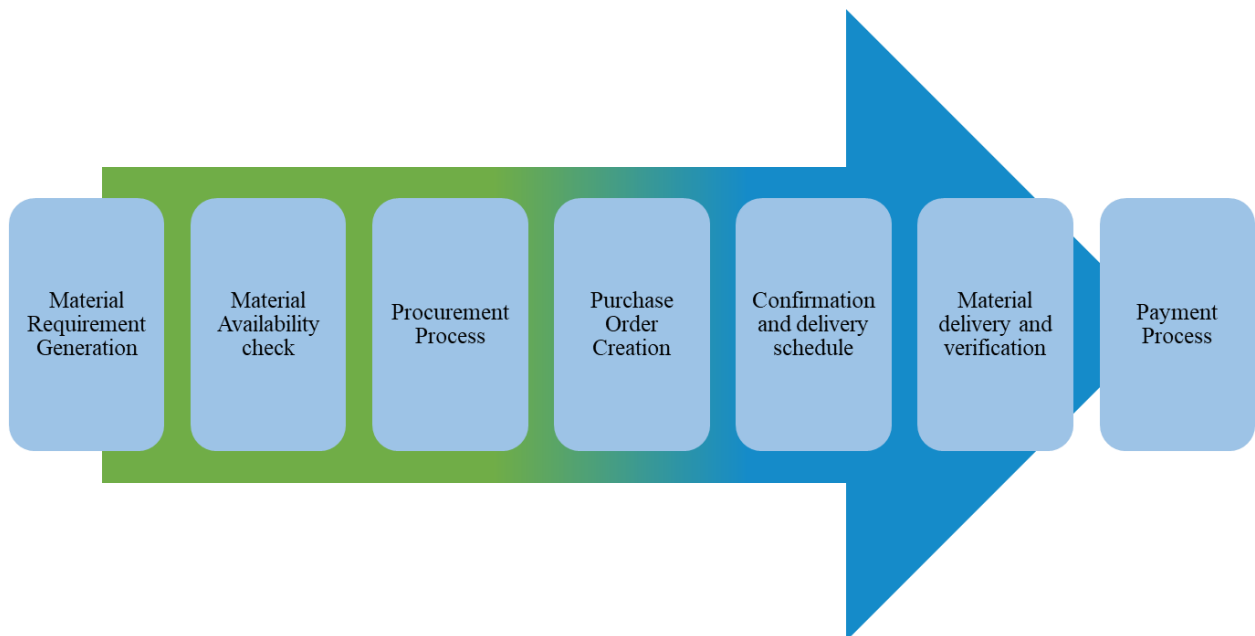
## 9. Award Decision:

The evaluation committee reviews all bids, and the tender is awarded to the vendor that meets both technical and financial criteria as best suitable to the client.

## 10. Acceptance:

Upon completion of the evaluation process, the client formally communicates the award decision by issuing acceptance letter or letter of award to the vendor. This document signifies the official acceptance of the bid and outlines the next steps for contract finalization and project commencement.

## MATERIAL PROCUREMENT FLOW CHART



In our operations, we typically obtain sensitive free issue materials from our clients, which is not easily available in the open market. However, when undertaking projects that require complete execution, we follow a careful material procurement process to ensure efficiency, accuracy, and timely delivery. Below is an elaboration of each step involved in the procurement process:

### 1. Material Requirement Generation:

- The site store manager identifies and generates the material requirements needed for the project.
- The site manager reviews and confirms the actual necessity of these materials to ensure accuracy and relevance.
- If there are additional considerations or uncertainties, the site manager informs the Regional Project Co-ordinator for further assessment.

### 2. Material Availability Check:

- The Regional Project Co-ordinator assesses the availability of excess materials at other project sites within the region.
- If excess materials are identified, they are transferred to the concerned site to meet the requirement efficiently.
- If no excess materials are available, the Co-ordinator communicates this status to the Procurement Manager for further action.

### 3. Procurement Process:

- The Procurement Department issues Requests for Quotations (RFQs) to multiple suppliers to solicit competitive bids.
- The Procurement Manager receives and evaluates the quotations based on criteria including price, quality, and delivery timelines.
- The best supplier is selected based on the evaluation, ensuring the optimal balance of cost and quality.
- The Procurement Manager consults with the Chief Operating Officer (COO) to propose the final material requirements for the site.
- The COO reviews and finalizes the material requirements and gives formal approval to the Procurement Manager.

### 4. Purchase Order (PO) Creation:

- Following the COO's approval, the Procurement Manager creates and issues a Purchase Order (PO) to the selected supplier.

### 5. Confirmation and Delivery Schedule:

- The supplier confirms receipt of the PO and provides a delivery schedule outlining the expected delivery dates.

### 6. Material Delivery and Verification:

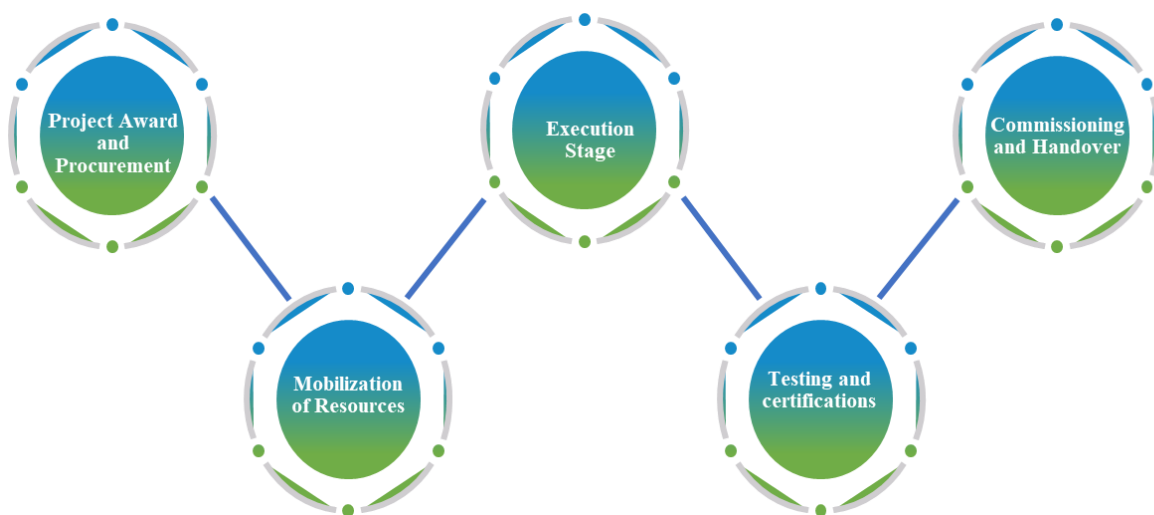
- The materials are delivered to the designated site as per the agreed schedule and after proper quality assurance procedure as desired by client.
- The site store manager verifies the received materials against the PO to ensure that the correct quantities and specifications are met.
- Inventory records are updated to reflect the materials received and checked.

### 7. Payment Process:

- Upon successful verification and receipt of materials, the Accounts Department processes the payment according to the terms agreed upon with the supplier.

This procedure ensures a systematic approach to material procurement, enhancing efficiency and accuracy throughout the process.

## EXECUTION PROCESS FOR CITY GAS DISTRIBUTION PROJECTS



### 1. Project award and procurement

- **Receipt of Letter of Award (LOA):** We officially acknowledge the project award through the LOA, which outlines the terms and scope of work.

- **Submission of Bank Guarantees:** Required financial securities are submitted to demonstrate our commitment to the project and compliance with contractual obligations.
- **Compliance with Policies and Licenses:** We ensure adherence to relevant policies, including labor licenses and regulatory requirements, to facilitate a smooth project initiation.

## 2. Mobilization of resources

- **Mobilization of Resources:** We deploy necessary resources, including manpower and materials, to the project site, preparing for the upcoming construction activities.
- **Inspection of Material:** All materials are thoroughly inspected upon arrival to verify quality and compliance with project specifications before they are utilized.

## 3. Execution Stage

- **Commencement of Work:** Execution activities begin, following the established project timeline and safety protocols.
- **Laying of MDPE Pipeline:** We proceed with the installation of Medium Density Polyethylene (MDPE) pipelines, adhering to industry standards and best practices.
- **Jointing of MDPE Pipelines:** Careful jointing techniques are employed to ensure secure and leak-free connections between pipeline sections.
- **Installation of PNG Connections:** We complete the installation of Piped Natural Gas (PNG) connections, facilitating safe and efficient gas distribution.

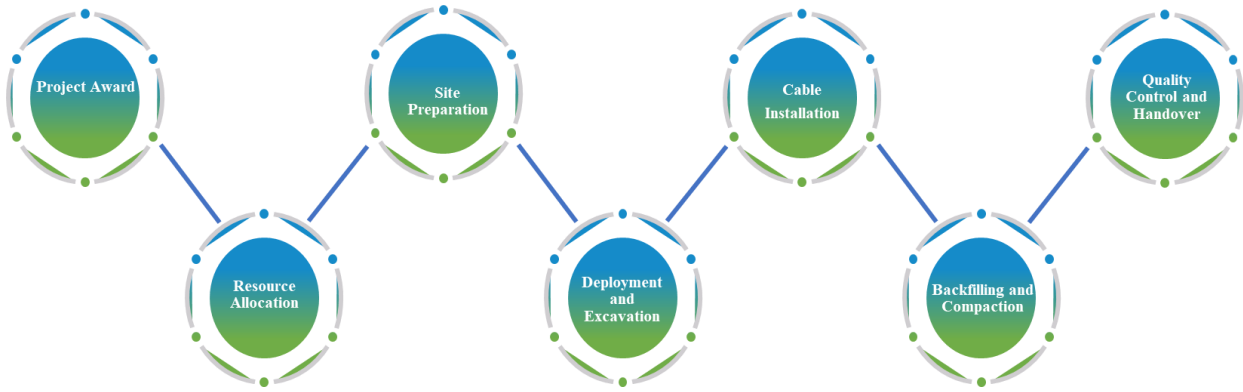
## 4. Testing and Certifications

- **Testing of Laid MDPE Pipeline & PNG Connections:** Rigorous testing is conducted to ensure the integrity and safety of the installed pipelines and connections.
- **Certification of Infrastructure:** Clients or third parties commissioned by our clients certify the infrastructure, confirming that it meets all required standards and regulations.

## 5. Commissioning and Handover

- **Approval from Clients:** We secure final approval from our clients, confirming that all work meets contractual requirements.
- **Commissioning/Gasification of Infrastructure:** The laid and installed infrastructure undergoes commissioning and gasification, making it operational for client use.
- **Certification of Commissioning/Gasification:** Clients provide certification for the commissioning and gasification process, ensuring compliance with safety and operational standards.
- **Handing Over the Site to the Client:** Finally, the project site is formally handed over to the client, along with all necessary documentation and operational guidelines.

## EXECUTION PROCESS FOR POWER DISTRIBUTION PROJECTS



### 1. Project Award

- Acquiring of Project

### 2. Resource Allocation

- Interview of Engineers
- Verification of Documents of Engineers
- Interview by Client
- Approval of Client for Engineers

### 3. Site Preparation

- Site Survey
- Arrangement of Execution Labour
- Submission and Approval of Labour Documents

### 4. Deployment and Excavation

- Deployment of Labour at Site
- Breaking & Excavation of Roads for Laying Power Cables
- Approval by Client for Depth

### 5. Cable Installation

- Laying of Cables
- Installation of Half Round Pipe for Protection
- Jointing of Cables

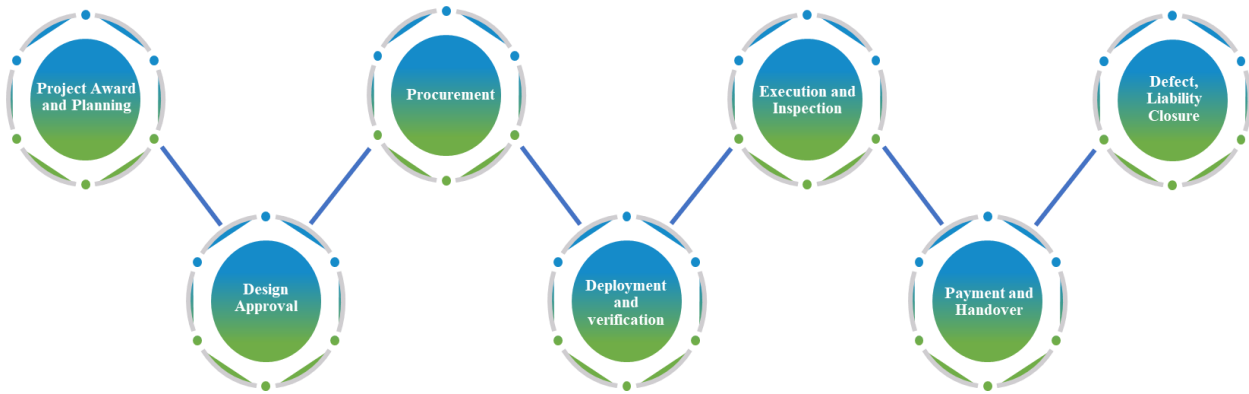
### 6. Backfilling and Compaction

- Backfilling of Excavated Trench
- Compacting of Backfilled Excavated Trench

### 7. Quality Control and Handover

- Verification and Approval of Completed Site Work
- Handing Over of Site to O&M Client

## EXECUTION PROCESS FOR WATER DISTRIBUTION PROJECTS



### 1. Project Award and Planning

- **Award of Bid/Tender:** The project officially commences with the award of the bid or tender, confirming our engagement with the client.
- **Site Survey:** A comprehensive site survey is conducted in collaboration with the Sarpanch, District Magistrate team, and client representatives to assess site conditions and requirements.
- **Submission of Survey Drawings:** After the survey, detailed drawings are prepared and submitted for review, outlining the project's scope and execution plan.
- **Material Requirement Identification:** We identify the specific materials needed for project execution based on the approved drawings and survey findings.

### 2. Design Approval

- **Client Review:** The submitted drawings and plans undergo a formal review process by the client, ensuring they meet all project specifications and standards before moving forward.

### 3. Procurement

- **Material Procurement:** We procure the necessary materials from authorized manufacturers to ensure quality and compliance with project requirements.
- **Client Material Approval:** All procured materials are submitted to the client for approval, ensuring alignment with project standards and specifications.

### 4. Deployment and Verification

- **Material Deployment:** The approved materials are delivered and deployed at the project site, ready for installation.
- **Physical Verification:** A thorough physical verification of the materials is conducted on-site by client representatives to confirm that all items meet quality and quantity specifications.

### 5. Execution and Inspection

- **Work Execution:** Construction and installation activities commence as per the project plan, adhering to safety and quality standards.
- **Ongoing Inspection:** The work is subject to regular inspections, with approvals obtained from the client at various stages to ensure compliance with project specifications and standards.

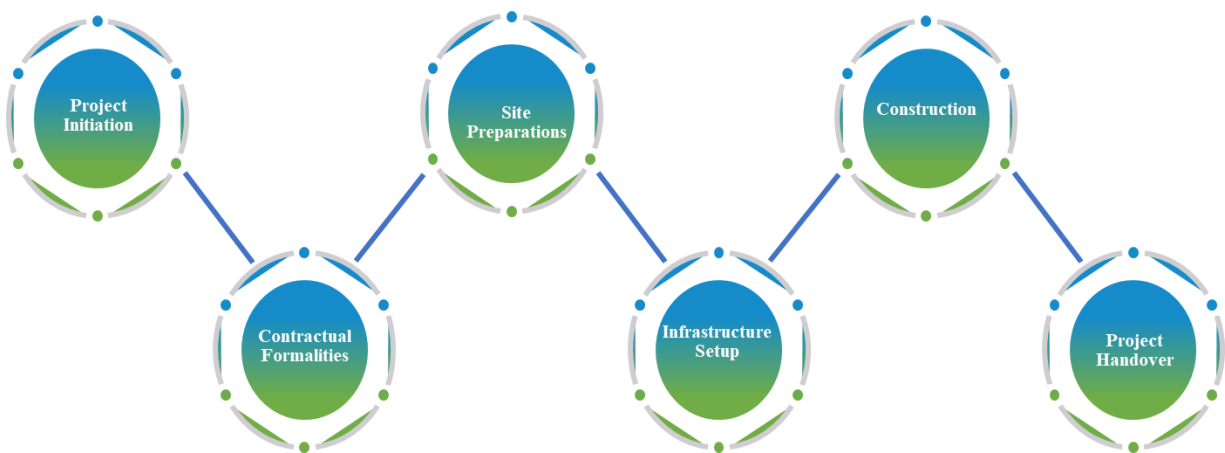
### 6. Payment and Handover

- **Invoicing:** Once the work is executed, we prepare and submit invoices detailing completed work for payment processing.
- **Site Handover:** Upon project completion, the site is formally handed over to the client, accompanied by all relevant documentation and operational guidelines.
- **Receipt of Work Completion Certificate:** A work completion certificate from the client is to be obtained, confirming that all contractual obligations have been met.

## 7. Defect Liability and Closure

- **Defect Liability Period:** After project completion, we enter a defect liability period during which we address any issues or defects that may arise.
- **Release of Bank Guarantees:** Upon successful completion of the defect liability period, any bank guarantees submitted at the project's commencement are released, signifying the project's formal closure.

## EXECUTION PROCESS FOR OUR SERVICES IN RENEWABLE ENERGY PROJECTS



### 1. Project Initiation

- **Project Offer:** A project offer is sent to clients that includes technical documents, bill of quantities (BOQ) and rates.
- **Acceptance:** The client reviews and if favorable, accepts the proposed rates and terms.

### 2. Contractual Formalities

- **Receipt of Letter of Award (LOA):** We formally acknowledge the project through the receipt of the LOA from the client.
- **Compliance:** We fulfill all necessary contractual obligations, including bank guarantees and other regulatory requirements.

### 3. Site Preparation

- **Site Survey:** A thorough site survey is conducted to evaluate environmental conditions, soil characteristics, and existing infrastructure. This assessment helps identify potential challenges and informs construction planning.
- **Mobilization:** We mobilize the necessary machinery and manpower to the site, ensuring all equipment is operational and compliant with safety regulations. This includes logistical planning to coordinate transportation and minimize downtime.

- **Piling Points Survey:** Our engineer identifies optimal piling locations based on geotechnical assessments and load-bearing capacities. These points are then submitted to the client for approval, ensuring they align with project specifications.

#### 4. Infrastructure Setup

- **Arrangement for Labor Stay:** We establish accommodations for our workforce, providing safe living conditions with essential amenities.
- **On-Site Facilities:** Dedicated office space for engineers and project managers is set up on-site.
- **Documentation Verification:** All documentation related to manpower and machinery is verified to ensure compliance with safety and regulatory standards. This includes checking licenses and certifications.
- **Client Approval:** Verified documents are submitted to the client for approval, ensuring transparency and alignment with contractual obligations.

#### 5. Construction

- **RCC Stub Piling:** We begin the erection of reinforced concrete (RCC) stub piling, forming the project's foundation. This process is conducted under strict quality control to meet industry standards.
- **Client Alignment Approval:** We regularly secure alignment approval from the client to ensure that construction adheres to design specifications.
- **Continued Construction:** After completing the stub piling, we shall install solar modules on the piles, maintaining coordination for efficient execution and quality assurance.
- **Final Client Approval:** Upon completing construction activities, we shall seek final approval from the client through a thorough inspection to confirm that all work meets the required specifications.

#### 6. Project Handover

- **Site Handover:** The project site is formally handed over to the client, completing the execution process.

### REVENUE BREAK-UP

a) Following is our revenue bifurcation on the basis of our services for the financial years ending March 31, 2024 and the preceding two fiscals:

(₹ in lakhs)

Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
City Gas Distribution Network Projects	2,854.17	97.10%	2,922.21	100.00%	1,985.19	100.00%
Power Distribution Projects	85.14	2.90%	-	-	-	-
<b>Total</b>	<b>2,939.31</b>	<b>100.00%</b>	<b>2,922.21</b>	<b>100.00%</b>	<b>1,985.19</b>	<b>100.00%</b>

(b) Following is our revenue bifurcation from City Gas Distribution Network Projects for the financial years ending March 31, 2024 and the preceding two fiscals:

(₹ in lakhs)

Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%



City Gas Distribution Network Projects	1,267.57	44.41%	1,265.99	43.33%	989.55	49.86%
O & M Services	1,586.60	55.59%	1,656.22	56.67%	995.64	50.14%
<b>Total</b>	<b>2,854.17</b>	<b>100.00%</b>	<b>2,922.21</b>	<b>100.00%</b>	<b>1,985.19</b>	<b>100.00%</b>

c) Following is our top 10 state-wise revenue bifurcation for the financial years ending March 31, 2024 and the preceding two fiscals:

(₹ in lakhs)

Top 10 State-wise	FY 2023-24		FY 2022-23		FY 2021-22	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
Gujarat	1,590.24	54.10%	1494.27	51.13%	1,006.66	50.71%
Haryana	788.08	26.81%	926.89	31.72%	811.11	40.86%
Uttar Pradesh	384.47	13.08%	259.63	8.88%	2.93	0.15%
Punjab	199.09	6.77%	241.42	8.26%	164.49	8.29%
Karnataka	(3.14) *	(0.11%)	-	-	-	-
Madhya Pradesh	(19.44)*	(0.66%)	-	-	-	-
<b>Total</b>	<b>2939.31</b>	<b>100.00%</b>	<b>2922.21</b>	<b>100.00%</b>	<b>1985.19</b>	<b>100.00%</b>

\*The figures are negative due to work in progress reversal of last year.

d) Following is our bifurcation of revenue generated from public sector undertakings, government institution and private sector, for the financial years ending March 31, 2024 and the preceding two fiscals:

(₹ in lakhs)

Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
Public Sector Undertakings/ Government Institutions	2,166.54	73.71%	1,936.51	66.28%	1,424.02	71.74%
Private Sector	772.77	26.29%	985.70	33.72%	561.17	28.26%
<b>Total</b>	<b>2,939.31</b>	<b>100.00%</b>	<b>2,922.21</b>	<b>100.00%</b>	<b>1,985.19</b>	<b>100.00%</b>

\*As certified by M/s K.A. Sanghavi and Co. LLP, Chartered Accountants pursuant to their certificate dated September 26, 2024.

## OUR MAJOR CUSTOMERS & SUPPLIERS

The following is the breakup of the top one, five and top ten customers/suppliers of our Company for the financial years ending March 31, 2024 and the preceding two fiscals:

### Top Customers:

(₹ in lakhs)

Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
Top 1 Customer	980.32	33.35%	1,263.96	43.25%	928.28	46.76%
Top 5 Customers	2028.71	69.02%	2612.31	89.40%	1,949.83	98.22%
Top 10 Customers	2079.23	70.74%	2642.01	90.41%	1985.06	99.99%

**Top Suppliers:***(₹ in lakhs)*

Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
	Purchases	%	Purchases	%	Purchases	%
Top 1 Supplier	67.78	4.83%	44.04	2.46%	24.79	2.35%
Top 5 Suppliers	205.21	14.63%	145.27	8.12%	78.94	7.47%
Top 10 Suppliers	240.74	17.17%	178.89	10.00%	103.61	9.80%

\*As certified by M/s K.A. Sanghavi and Co. LLP, Chartered Accountants pursuant to their certificate dated September 26, 2024.

**OUR EQUIPMENTS**

As of September 27, 2024, following are the details of major equipments used by us for our business operations:

Equipment	Quantity	Usage
Electrofusion Machine	11	Used for MDPE & HDPE Pipe jointing and installation for couplers for jointing connectivity of the pipes
Barcode Scanner	2	Used for fusion machine (MDPE Pipe Joining)
Petzl Harness Avao Bod	7	Used for GI Pipeline riser installation works at domestic high rise
Aluminium Articles (Petzl Equipment)	1	Used for GI Pipeline riser installation works at domestic high rise
Generator	6	Used for on-site power supply
Monometer DM	8	Used for leakage verification in domestic GI Pipelines (AMC work)
Mobile Phones	11	Used by project co-ordinators and team for communication
Welding Machines	12	Used for MS/ CS/ GI Steel Pipelines welding and grinding works
Hydraulic Squeezer	5	Used for squeezing of the MDPE Pipeline for safety and holding the pressure
Non-Sparking tools	3	Used for prevention of Gas Blast inside confined space
Braker	3	Used for road breaking
Calibration Machine	1	Used to calibrate the manometer & fusion machines
Coating thickness gauge	1	Used for pressure gauge and verifying leakages in the Pipeline. Used to hold the pressure.
Cutflex Cordless Hammer	6	Used for site plumbing work
EQ-Peel Test Set	2	Used for electric work
GMI Leak surveyor	5	Used for AEO Operation & Maintenance Services
Vehicles	13	Used for O&M Services

\*As certified by M/s. M.G. Shaikh, Chartered Engineer, by way of certificate dated September 27, 2024.

**CAPACITY UTILIZATION**

Capacity and capacity utilization is not applicable to our Company since our business is not in the nature of a manufacturing concern with specified installed capacity.

**UTILITIES**

Our registered office and other offices are well equipped with adequate facilities like computer systems, internet connectivity, other communication equipment which are required for our business operations to function smoothly.

**QUALITY CONTROL**

We endeavour to ensure that we maintain stringent quality standards at all stages of our project. Our aim is to reduce cost and cycle times through effective and efficient use of resources. We have a team of engineers and professionals responsible for ensuring quality standards. In executing the projects, we monitor and test all materials for conformity, track non-conformities and make rectifications to ensure client satisfaction.

## ENVIRONMENT, HEALTH & SAFETY

We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, please see the chapters titled “Key Industry Regulations and Policies” and “Government and other Statutory Approvals” beginning on page 175 & 270 of this Draft Red Herring Prospectus.

## HUMAN RESOURCE

Human resource is an asset to any industry. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our kind of business. Our human resources include a mix of permanent employees and contractual workers, tailored to meet the dynamic needs of its operations. Our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended, which require it to be registered as a principal employer of the contract labourers and imposes certain prescribed obligations with respect to their welfare and health. Our Company has applied for and/or has obtained registration as a principal employer wherever required.

We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We hire key staff for supervision at our sites. As of August 30, 2024, our Company had 236 employees on its payroll, distributed across various locations

Department/Function	No. of Employees*
Human Resource Department	2
Project Co-Ordinator	18
Finance Department	8
Engineers	26
Supervisors	34
Contract Procurement Department	1
Excavation supervisors	43
Legal and Compliance Department	1
Technical Staff & Others^	93
Others#	10
<b>Total</b>	<b>236</b>

<sup>^</sup>This consists of technicians, patrolman, data entry operators and helpers.

<sup>^</sup>This consists of office boy and drivers.

\*Our exact number of employees vary from month to month due to attrition or hiring due to project requirements.

## MAJOR COMPLETED PROJECTS

(₹ in Lakhs)

Sr. No	Client Name	Nature of work and its description	Location	Work Order No.	Value of Project (Excl. GST)	Year of Completion
1.	Adani Total Gas Ltd	AEO services	Haryana	PO No. 4811004335	37.90	2024
2.	Adani Total Gas Ltd	AEO outsource operation	Haryana	PO No. 4811002089	113.68	2023
3	Gujarat Gas Limited	PE Laying & Domestic/Commercial/Non-Commercial/NDEC Industrial PNG Installation of Porject Works at Bhervi	Gujarat	5700002412	253.00	2023

Sr. No	Client Name	Nature of work and its description	Location	Work Order No.	Value of Project (Excl. GST)	Year of Completion
		Cluster in Billimora location in Navsari GA				
4	Gujarat Gas Limited	PE Laying & Domestic/Commercial/Non-Commercial/NDEC Industrial PNG Installation of Porject Works at Chikhli Cluster & Surrounding Villages in Billimora location in Navsari GA in South Gujarat	Gujarat	5700002413	160.00	2023
5	Indian Oil Adani Gas Pvt Ltd	MDPE & LMC Project Work	Daman & Diu	5700217463	201.00	2021
6	Gujarat Gas Limited	PNG O&M for Navsari & surrounding areas	Gujarat	4600002619	48.35	2015
7	Gujarat Gas Limited	HDPE Pipe Replacement, Reinforcement, Shifting & Other Civil Works in GGL Operational Areas in Bharuch GA	Gujarat	5700000189	157.03	2019
8	Gujarat Gas Limited	PE-PNG Operation & Maintenance Works at Gandevi Location in Navsari GA	Gujarat	6100001160	68.65	2017
9	Gujarat Gas Limited	PE Laying & Domestic/Commercial/Non Commercial/NDEC Industrial PNG Installation of Porject Works at Mehamdabad Cluster in Nadiad GA	Gujarat	5700002425	131.72	2023
10	Gujarat Gas Limited	PE-PNG Operation & Maintenance Works at Dharampur & Valsad Location in Valsad GA	Gujarat	5700001586	855.91	2023
11	Gujarat Gas Limited	PE Laying & Domestic/Commercial/Non Commercial/NDEC Industrial PNG Installation of Porject Works at in Bharuch GA	Gujarat	5700001442	117.00	2021
12	Gujarat Gas Limited	MDPE Pipe Replacement, Reinforcement, Shifting & Other Civil Works in GGL Operational Areas in Surat GA	Gujarat	4600006266	223.41	2018
13	Gujarat Gas Limited	PE-PNG Operation & Maintenance Works at Gandevi Location in Navsari GA	Gujarat	4600003239	59.05	2016
14	Gujarat Gas Limited	Optional Item for PNG O&M at Navsari & surrounding villages	Gujarat	4600001533	109.60	2015
15	Gujarat Gas Limited	Domestic & Commercial Connection	Gujarat	4300000591 /430000189 1/43000018 92	155.94	2015
16	Gail Gas Limited	Laying of Underground GI Pipelines & Aboveground GI Installation works including Last Mile Connectivity (LMC) for 4850 Domestic Connections for Gail Gas Ltd in Bengaluru	Karnataka	5600000291	447.08	2020
17	Gujarat Gas Limited	PE-PNG Project Work	Punjab	5700001443	185.00	2020
18	Adani Gas Limited	Laying of MDPE Pipeline & Installation of Domestic PNG Connections at Ahmedabad	Gujarat	5700219546 /570022243 5	101.00	2018

Sr. No	Client Name	Nature of work and its description	Location	Work Order No.	Value of Project (Excl. GST)	Year of Completion
19	Adani Total Gas Ltd	Rate Contract for LMC Associated works & MDPE Mainline Pipeline Laying	Faridabad	5700284471 /5700284125	439.06	2021
20	Adani Total Gas Ltd	AEO Services for LMC & MDPE Network at Faridabad & Palwal Location in Haryana	Haryana	5700282784	44.00	2021
21	Adani Gas Limited	Rate Contract for LMC Associated works at Faridabad in Haryana	Haryana	5700252880	46.43	2021
22	Adani Gas Limited	MS Pipeline Laying for IOCL Dev Petroleum, Bopal Spur Line	Gujarat	5700257552	49.05	2019
23	Gujarat Gas Limited	PE-PNG O&M Works at Gandevi Location at Navsari & surrounding villages	Gujarat	5700000993 /6100002213/	242.80	2020
24	Adani Gas Limited	MS Pipeline Laying for BPCL Ravi Petroleum, Naroda Spur Line	Gujarat	5700260810	134.25	2021
25	Adani Gas Limited	AEO Services for LMC & MDPE Network at Faridabad & Palwal Location in Haryana	Haryana	5700283304 /5700283030	177.82	2021
26	Adani Gas Limited	PE Mainline Laying	Gujarat	5700183500	68.00	2017
27	Gujarat Gas Limited	PE Laying & Domestic/Commercial/Non Commercial/NDEC Industrial PNG Installation of Porject Works at Bhervi Cluster in Billimora location in Navsari GA	Gujarat	5700002412	253.00	2023
28	Gujarat Gas Limited	PE Laying & Domestic/Commercial/Non Commercial/NDEC Industrial PNG Installation of Porject Works at Chikhli Cluster & Surrounding Villages in Billimora location in Navsari GA in South Gujarat	Gujarat	5700002413	160.00	2023
29	Indian Oil Adani Gas Pvt Ltd	MDPE & LMC Project Work	Daman & Diu	5700217463	201.00	2021
30	Gujarat Gas Limited	PNG O&M for Navsari & surrounding areas	Gujarat	4600002619	48.35	2015
31	Gujarat Gas Limited	HDPE Pipe Replacement, Reinforcement, Shifting & Other Civil Works in GGL Operational Areas in Bharuch GA	Gujarat	5700000189	157.03	2019
32	Gujarat Gas Limited	PE-PNG Operation & Maintenance Works at Gandevi Location in Navsari GA	Gujarat	6100001160	68.65	2017
33	Gujarat Gas Limited	PE Laying & Domestic/Commercial/Non-Commercial/NDEC Industrial PNG Installation of Porject Works at Mehamdabad Cluster in Nadiad GA	Gujarat	5700002425	131.72	2023
34	Gujarat Gas Limited	PE-PNG Operation & Maintenance Works at Dharampur & Valsad Location in Valsad GA	Gujarat	5700001586	855.91	2023
35	Gujarat Gas Limited	PE Laying & Domestic/Commercial/Non-Commercial/NDEC Industrial PNG	Gujarat	5700001442	117.00	2021

Sr. No	Client Name	Nature of work and its description	Location	Work Order No.	Value of Project (Excl. GST)	Year of Completion
		Installation of Porject Works at in Bharuch GA				
36	Gujarat Gas Limited	MDPE Pipe Replacement, Reinforcement, Shifting & Other Civil Works in GGL Operational Areas in Surat GA	Gujarat	4600006266	223.41	2018
37	Gujarat Gas Limited	PE-PNG Operation & Maintenance Works at Gandevi Location in Navsari GA	Gujarat	4600003239	59.05	2016
38	Gujarat Gas Limited	Optional Item for PNG O&M at Navsari & surrounding villages	Gujarat	4600001533	109.60	2015
39	Gujarat Gas Limited	Domestic & Commercial Connection	Gujarat	4300000591 /4300001891/4300001892	155.94	2015
40	Gail Gas Limited	Laying of Underground GI Pipelines & Aboveground GI Installation works including Last Mile Connectivity (LMC) for 4850 Domestic Connections for Gail Gas Ltd in Bengaluru	Karnataka	5600000291	447.08	2020
41	Indian Oil Adani Gas Pvt Ltd	MDPE laying & LMC work at Daman	Daman & Diu	5700217463	123.57	2021
42	Adani Gas Ltd	Domestic Piped Natural Gas (PNG) connection & PE	Gujarat	5700219546 /5700222435	10.10	2018
43	Gujarat Gas Limited	PE-PNG operation and maintenance work for Gandevi location in South Gujarat	Gujarat	4600003239	28.56	2016
44	Gujarat Gas Limited	PNG O&M for Navsari & surrounding areas	Gujarat	4600002619	48.10	2015
45	Gujarat Gas Limited	PE-PNG operation and maintenance work for Gandevi location in South Gujarat	Gujarat	6100001160	67.84	2017
46	Gujarat Gas Limited	HDPE Pipeline Replacement, Reinforcement, Shifting & Associated Civil Work for GGL Operational Areas in Bharuch	Gujarat	5700000189	154.92	2019
47	Gujarat Gas Limited	Operation & Maintenance work for Navsari City Gas Distribution network	Gujarat	4600001533	67.84	2015
48	Gujarat Gas Limited	Operation & Maintenance work for Navsari City Gas Distribution network	Gujarat	4600002619	48.10	2015
49	GSPC	PE Laying & Supply of Material, Installation. Testing. Commissioning and Conversion of the Domestic Piped Natural Gas (PNG) for CGD project in Hazira City	Gujarat	4300000558 / 4300000600	125.68	2013
50	GSPC	PE Laying & Supply of Material, Installation. Testing. Commissioning and Conversion of the Domestic Piped Natural Gas (PNG) for CGD project in Surendranagar City	Gujarat	4300000507 /4300000625	72.04	2013

Sr. No	Client Name	Nature of work and its description	Location	Work Order No.	Value of Project (Excl. GST)	Year of Completion
51	GSPC	PE/PNG Project to cater natural gas to Domestic customers.	Gujarat	4300000591/4300000555	164.49	2012
52	GSPC	PE Network & PNG Domestic Connections at Navsari, Hazira, Valsad & other locations of GSPC Gas	Gujarat	Navsari, Hazira, Valsad	801.84	2012
53	GSPC	PE Laying & Supply of Material, Installation, Testing. Commissioning and Conversion of the Domestic Piped Natural Gas (PNG) for CGD project in Bilimora City	Gujarat	4300000509/4300000607	242.89	2013
54	GSPC	Supply of Materials, Installation, Testing. Commissioning and Conversion of the Domestic Piped Natural Gas (PNG) connection for Rajkot City Gas Distribution project.	Gujarat	4300000550	104.57	2013
55	GSPC	PE Laying & Supply of Material, Installation, Testing, Commissioning and Conversion of the Domestic Piped Natural Gas (PNG) for CGD project in Navsari City	Gujarat	4300000555/4300000591,	217.87	2011
56	GSPC	PE Laying & Supply of Material, Installation, Testing. Commissioning and Conversion of the Domestic Piped Natural Gas (PNG) for CGD project in Valsad City	Gujarat	4300000508/4300000690/4300000575	76.24	2011
57	GSPC	PE & PNG Contractor of GSPC Gas Company Ltd. at Rajkot	Gujarat	4300000550/4300000547	202.43	2012
<b>Total</b>					<b>101.72</b>	

#### MAJOR ONGOING PROJECTS

<i>(₹ in Lakhs)</i>						
Sr. No	Client Name	Nature of work and its description	Location	Date of receiving Order/ LOA	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)
1	Adani Total Gas Limited	MDPE work at ATGL-Faridabad	Haryana	12.09.2024	4811009360	199.09
2	Adani Green Energy Limited	Execution of Civil foundation works (Pile foundation) for installation of MMS Stub for Module Mounting Structure (MMS), IDT Stations, Erection of IDT Shed and IDT Fencing works & Erection of Module Mounting Structure (MMS) and Modu	Gujarat	11.09.2024	4810018896	167.55
3	Bharat Petroleum Corporation Limited	Last Mile Connectivity (LMC) & Associates Works in CGD Project at Sangli & Satara District in Sangli GA in the state of Maharashtra	Maharashtra	02.08.2024	BPCL/GAS/E-Tender 15389/Part- 1&2	1216.77

Sr. No	Client Name	Nature of work and its description	Location	Date of receiving Order/ LOA	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)
4	Luthra Group	Laying of DI Pipeline for Effluent Treatment Plant in Palsana	Gujarat	17.05.2024	7200023934	21.91
5	Torrent Gas Pvt Limited	Laying of MDPE pipeline, PNG connections and Associated work for City Gas Distribution project at Barabanki GA	Uttar Pradesh	07.06.2024	36300779	160.27
6	Adani Total Gas Limited	LMC & MDPE work at ATGL-Faridabad	Haryana	28.05.2024	4811007543	278.89
7	Adani Green Energy Limited	Execution of Civil foundation works (Pile foundation) for installation of MMS Stub for Module Mounting Structure (MMS), IDT Stations, Erection of IDT Shed and IDT Fencing works & Erection of Module Mounting Structure (MMS) and Modu	Gujarat	15.05.2024	4810015902	415.29
8	Torrent Gas Pvt Limited	Laying of MDPE pipeline, PNG connections and Associated work for City Gas Distribution project at Jaipur GA	Rajasthan	29.04.2024	36300741	295.47
9	Torrent Gas Pvt Limited	Laying of MDPE pipeline, PNG connections and Associated work for City Gas Distribution project at Moradabad GA	Uttar Pradesh	30.04.2024	36300752	514.72
10	Excelsource International Pvt Limited	Project Design, Site Survey, Advisery & Consultancy for Long-Distance Under Ground/ Over Land/ Submarine Pipelines, Communication & Electric Power Cables, Pumping Stations, Water Treatment Plants.	Maharashtra	25.04.2024	WOTD24040016	250.00
11	KSPPL	Rate Contract for Mainline Maintenance Puthuvyepen-Kochi Refinery to Udayaemperoor and Kochi Refinery to Palakkad section of Kopchi-Salem Pipeline Ch. 53kms	Kerala	30.03.2024	KSPPL/ML/AM C/23-24/01/G RPB	49.70
12	KSPPL	Rate Contract for Mainline Maintenance Puthuvyepen-Kochi Refinery to Udayaemperoor and Kochi Refinery to Palakkad section of Kopchi-Salem Pipeline	Kerala	30.03.2024	KSPPL/ML/AM C/23-24/01/G RPA	51.67
13	Indian Oil Corporation Limited	Annual rate Contract and Emanelment of Contractors for PE Laying, LMC & DMA works in Kanyakumari, Tuticorin, Tirunveli & Tenkasi Districts	Tamil Nadu	10.10.2023	12030757	505.91
14	Torrent Power Limited	HT ARC activities for T&D Surat	Gujarat	04.01.2024	4200001382	144.60
15	Adani Total Gas Limited	MDPE & LMC services at Palwal	Haryana	16.08.2023	4811004758	478.35



Sr. No	Client Name	Nature of work and its description	Location	Date of receiving Order/ LOA	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)
16	Adani Total Gas Limited	PD TD Khurja	Uttar Pradesh	30.10.2023	5711005912	11.93
17	Adani Total Gas Limited	MDPE Laying at S 87 Faridabad	Haryana	05.01.2024	4811005911	21.47
18	Adani Total Gas Limited	Restoration Work TD to PD	Haryana	18.12.2023	5711006268	4.92
19	Indraprastha Gas Limited	MDPE Laying and MRS Fabrication for Industrial & Commercial in Segment B Pool	Uttar Pradesh	24.08.2023	6500008737	219.92
20	Adani Total Gas Limited	LMC & Associated Works Faridabad	Haryana	17.10.2023	4811004939	199.25
21	Adani Total Gas Limited	AEO Services for Palwal & Faridabad	Haryana	15.03.2024	4811006813	33.35
22	Adani Total Gas Limited	Preventive Maintenance of GI & MDPE	Haryana	19.01.2024	4811005929	76.85
23	Adani Total Gas Limited	TF Chamber Making for Faridabad	Haryana	07.10.2023	5711005707	15.10
24	Adani Total Gas Limited	AEO Services at Narnaul & Bhiwani	Haryana	05.10.2023	4811005049	8.92
25	Maharashtra Natural Gas Limited	Providing Manpower Services or Patrolman and Excavation Supervisors in Pune GA	Maharashtra	26.09.2023	6500000669	295.28
26	Adani Total Gas Limited	PE service at S. 23 & Industrial Area Bhiwani	Haryana	08.01.2024	4811003870	198.13
27	Selan Exploration Technology Limited	Pipeline Route Survey, Permission, Supply, Laying & Erection of Pipelines	Gujarat	11.08.2023	PO No. 20230811	194.14
28	Adani Total Gas Limited	MDPE Pipeline Laying and associated works	Gujarat	13.02.2024	PO No. 4811003016	219.33
29	Adani Total Gas Limited	MDPE Laying woks including PNG connections and LMC (Last Man Connection) associated works	Gujarat	03.10.2022	PO No. 4811002770	508.35
30	Adani Total Gas Limited	LMC and Associated works for Industrial & Commercial [Region-2]	Haryana	30.06.2023	PO No. 4811004384	15.25
31	Adani Total Gas Limited	MDPE & LMC works at Faridabad	Haryana	14.06.2023	PO No. 4811004309	217.78
32	Adani Total Gas Limited	LMC work for Palwal	Haryana	30.05.2023	PO No. 4811004165	54.44
33	Adani Total Gas Limited	MDPE services at Palwal	Haryana	30.05.2023	PO No. 4811004169	51.01

Sr. No	Client Name	Nature of work and its description	Location	Date of receiving Order/ LOA	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)
34	Adani Total Gas Limited	PE service at Sector 23 & Industrial area - Bhiwani	Haryana	07.01.2023	PO No. 4811003444	121.40
35	Adani Total Gas Limited	Drain Crossing for MDPE Pipeline laying	Haryana	02.11.2022	PO No. 4811003108	49.00
36	Adani Total Gas Limited	LMC work for Palwal	Haryana	24.11.2022	PO No. 4811003252	105.91
37	Adani Total Gas Limited	MDPE services at Palwal	Haryana	23.11.2022	PO No. 4811003182	102.07
38	Adani Total Gas Limited	MDPE Pipeline Laying and LMC Work	Haryana	24.11.2022	PO No. 4811003190	104.73
39	Adani Total Gas Limited	LPT services at Khurja	Uttar Pradesh	14.10.2022	PO No. 5711003645	8.71
40	Adani Total Gas Limited	Lock Pressure Testing and survey & maintenance of domestic connections at Faridabad	Haryana	20.07.2022	PO No. 5711003276	211.62
41	Adani Total Gas Limited	Contract for Preventive Maintenance of Domestic Connection in Palwal	Haryana	25.09.2021	Contract No. 5711001769	326.38
42	Adani Total Gas Limited	Mainline Work at Palwal	Haryana	29.07.2021	Contract No. 5711000332	153.49
43	Adani Total Gas Limited	LMC Domestic, Commercial, Industrial	Haryana	23.01.2021	Contract No. 5700284471	619.43
44	Adani Total Gas Limited	Mainline Work	Haryana	25.10.2021	Contract No. 5700284125	219.56
45	Bharat Petroleum Corporation Limited	Operation & Maintenance of PNG Network & Domestic /Commercial/ Industrial Connections: Rohtak – Haryana	Haryana	26.03.2022	Contract No. 4600898987	94.07
46	Adani Total Gas Limited	LMC and MDPE services at Khurja	Uttar Pradesh	09.02.2023	PO No. 4811003686	422.94
47	Bharat Petroleum Corporation Limited	Operation & Maintenance of PNG Network & Domestic /Commercial / Industrial Connections: Amethi, Pratapgarh, Raibareli	Uttar Pradesh	20.03.2023	GAS Engg Serv: LOA: 21-22: O&M-APR	146.47
48	Indraprastha Gas Limited	Above-Ground and Underground Steel Pipeline O&M Works (Carbon Steel Pipeline) in NCT of Delhi	Uttar Pradesh	23.05.2023	Contract No. 7700003100	77.82

Sr. No	Client Name	Nature of work and its description	Location	Date of receiving Order/ LOA	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)
49	Indraprastha Gas Limited	Laying of Carbon Steel Pipeline for Station Connectivity and Loop Line Projects in Delhi & Gurugram in Segment-2: Laying of Carbon Steel Pipeline for Virendra Kaushik DODO & Hare Krishna RO	Delhi	15.02.2022	CO 7700002 868 / PO No. 6500007 807	557.81
50	Maharashtra Natural Gas Limited	Service Order for Rate Contract for period of 2 (Two) years to appoint the contractors for maintenance of PNG assets and attending the after sales require sites of PNG customers for CGD Network of MNGL, Pune	Maharashtra	14.03.2023	SO No. 6500000 429	76.11
51	Amnex Infotechnologies Private Limited	PO No. MOBIPO/23-24/0029\	Gujarat	26.04.2023	Installation & Commissioning Charges For Surat ATCS	266.23
52	Gujarat Gas Limited	PE Laying & Domestic /Commercial/ Industrial PNG Installations for Project Works at AMRITSAR Geographical Area.	Punjab	05.04.2022	Contract No. 5700002 191	282.00
53	Gujarat Gas Limited	PE Laying & Domestic / Commercial / Non-Commercial/ NDEC/Industrial PNG Installations for Project Works Bathinda	Punjab	12.11.2020	Contract No. 5700001 540	677.00
54	Bhagyanagar Gas Limited	Laying of Underground PE Pipe Lines and Aboveground GI Installations including Last Mile Connectivity at Consumer End at Hyderabad	Telangana	13.10.2020	BGL/C&P/MEC/P RJ/HYD/ FOA- 81/20/20 20-21	151.03
55	Bhagyanagar Gas Limited	Laying of Underground PE Pipe Lines and Aboveground GI Installations including Last Mile Connectivity at Consumer End at Hyderabad	Telangana	22.11.2019	BGL/C&P/MEC/P RJ/HYD/ FOA- 123/19/2 019-20	502.30
56	Public Health Engineering Department	Construction of naveen piped water supply sheme under Jal Jeevan Machine at village Golabadi, Bhawar Pipaliya & Seemal Khedi in Rama Block of Jabhua District including construction of 02 Nos RCC OHT (50KL/100KL) & Construction of RCC Sump Wells, Pump House, House Hold Tap Connection, with testing/commissioning	Madhya Pradesh	04.10.2024	3839/Proc.Cell/EE /PHED/2 023	168.69
<b>Total</b>						<b>12,540.38</b>

**MAJOR UPCOMING PROJECTS**

(₹ in Lakhs)

Sr. No	Client Name	Nature of work and its description	Location	Work Order No./ LOA	Contract Awarded Amount (In Lakhs) (Excl. GST)	Estimated month and year of completion
1	Haryana City Gas Distribution	Hiring of Contractors for Providing Connections to Domestic, Industrial & Commercial Customers Including Service Line, MDPE Laying, GI/CU Installation of PNG Connection in High Rise Building by Welded Riser Method, Installation of Valves & Civil Work Installation of Metering & Regulating Skid (MRS) For Project & O&M Activities in Gurugram GA	Haryana	HCG/GURUGRAM/DIPL/24-25/WO-072	100.00	September, 2025
2	Bharat Petroleum Corporation Ltd.	Last Mile Connectivity (LCM) & Associates Works in CGD Project in Bahraich District in Lakhimpur GA of Uttar Pradesh Part-1	Uttar Pradesh	BPCL/GAS/ETENDER/16886/Part 1	1174.67	March, 2025
3	Bhagyanagar Gas Ltd	Tender for Laying of Underground PE Pipelines and Above Ground GI Installations including Last Mile Connectivity at Consumer End at Hyderabad for Bhagyanagar Gas Limited	Telangana	BGL/C&P/PRJ/HYD/LMC/LEPL/FOA-40/24/2024-25	739.36	July, 2026
4	Bhagyanagar Gas Ltd	Tender for Laying of Underground PE Pipelines and Above Ground GI Installations including Last Mile Connectivity at Consumer End at Kakinada for Bhagyanagar Gas Limited	Andhra Pradesh	BGL/C&P/PRJ/KKD/LMC/LEPL/FOA-41/24/2024-25	259.04	July, 2026
5	Bhagyanagar Gas Ltd	Tender for Laying of Underground PE Pipelines and Above Ground GI Installations including Last Mile Connectivity at Consumer End at Vijaywada for Bhagyanagar Gas Limited	Andhra Pradesh	BGL/C&P/PRJ/VJA/LMC/LEPL/FOA-42/24/2024-25	465.08	July, 2026
6	Bharat Petroleum Corporation Ltd.	Last Mile Connectivity (LMC) & Associates Works in CGD Project at Aurangabad District of Ahmednagar- Aurangabad GA in the state of Maharashtra	Maharashtra	BPCL/GAS/E-Tender 15468/Part- 4& 5	716.87	February, 2025
7	Haryana City Gas Distribution	Work Contract for Rate Contract for Laying, Installation, Testing & Commissioning of 4", 6", 8" & 12" Size 3 LPE Coated Pipeline & Associated Work in Nagpur GA	Maharashtra	HCG/DIPL/24-25/WO/014	150.00	May, 2025

Sr. No.	Client Name	Nature of work and its description	Location	Work Order No./ LOA	Contract Awarded Amount (In Lakhs) (Excl. GST)	Estimated month and year of completion
8	Adani Total Gas Ltd	MDPE Pipeline Laying and associated works at Uduppi	Karnataka	LOI/UDUPI/DES CO INFRA/23-24/57	423.73	December, 2025
<b>Total</b>					<b>4028.75</b>	

\* As certified by our Statutory Auditors by their certificate dated September 26, 2024.

## COMPETITION

We operate in a very competitive environment. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. We compete against major as well as smaller regional oil and gas infrastructure companies. We also face competition from our peers who have similar one or more division of our business. Our competition is based on numerous factors, more importantly, the type of project, total contract value, technical capability, complexity, location of the project and risks involved. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors. Price often is the deciding factor in most tender awards.

## EXPORT AND EXPORT OBLIGATIONS

As on the date of this Draft Red Herring Prospectus, our Company does not have any export obligation.

## COLLABORATION

As on date of this Draft Red Herring Prospectus, our Company has not entered into any technical or financial collaboration agreements, tie ups and joint ventures.

## INSURANCE

Our operations are exposed to various risks inherent in our industry, including equipment failure, work accidents, fire, earthquakes, floods, and other force majeure events. We also face risks related to acts of terrorism, theft, explosions, and hazards that could lead to injuries, loss of life, damage to properties and equipment, and environmental harm. We may be subject to claims from our customers if the services that we provide are not in compliance with regulatory standards and the terms of our contractual arrangements. Additionally, we may encounter claims related to defects during the defect liability period.

To mitigate these uncertainties, we maintain insurance policies that we believe are customary for companies operating in our industry and which are necessary for our business. By obtaining appropriate insurance, we aim to minimize potential financial losses and liabilities associated with unforeseen events or claims. Following are the details of insurance policies obtained by our Company as on September 30, 2024:

Sr. No.	Name of the Insurance Company	Name of the Insured/ Proposer	Type of Policy	Policy No.	Validity Period	Sum Insured (in ₹)	Premium p.a. (in ₹)
1.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Erection all Risks Insurance Policy	5006/328103950/00/000	From: February 02, 2024 to February 01, 2025	1,78,22,066	9,464
2.	ICICI Lombard General Insurance	Desco Infratech Private Limited	Contractor all Risk Insurance Policy	5004/335464323/00/000	From: March 23, 2024 to March 22, 2025	7,49,000	1,181

Sr. No.	Name of the Insurance Company	Name of the Insured/ Proposer	Type of Policy	Policy No.	Validity Period	Sum Insured (in ₹)	Premium p.a. (in ₹)
	Company Limited						
3.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Erection all Risks Insurance Policy	5006/347341514/00/000	From: June 11, 2024 to June 10, 2025	5,96,97,699	31,699
4.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Erection all Risks Insurance Policy	5006/358975028/00/000	From: September 04, 2024 to September 03, 2025	14,35,78,781	76,240
5.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Erection all Risks Insurance Policy	5006/358945483/00/000	From: September 04, 2024 to September 03, 2025	8,45,90,414	44,918
6.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Erection all Risks Insurance Policy	5006/359942569/00/000	From: September 11, 2024 to September 10, 2025	5,48,79,278	32,379
7.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Erection all Risks Insurance Policy	5006/360697271/00/000	From: September 20, 2024 to September 19, 2025	13,86,11,014	1,06,314
8.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Marine Open Inland Declaration Policy	2001/238878676/02/000	From: February 13, 2024 to February 12, 2025	1,00,00,000	2,150
9.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Marine Open Inland Declaration Policy	2001/284079751/01/000	From: March 13, 2024 to March 12, 2025	1,00,00,000	2,150
10.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Marine Open Inland Declaration Policy	2001/285339730/01/000	From: March 23, 2024 to March 22, 2025	10,00,000	1,181
11.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Marine Open Inland Declaration Policy	2001/347341733/00/000	From: June 11, 2024 to June 10, 2025	2,00,00,000	4,150

Sr. No.	Name of the Insurance Company	Name of the Insured/ Proposer	Type of Policy	Policy No.	Validity Period	Sum Insured (in ₹)	Premium p.a. (in ₹)
13.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Marine Open Inland Declaration Policy	2001/358975181/00/000	From: September 04, 2024 to September 03, 2025	4,00,00,000	7,910
14.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Marine Open Inland Declaration Policy	2001/358972600/00/000	From: September 04, 2024 to September 03, 2025	2,00,00,000	4,150
15.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Marine Open Inland Declaration Policy	2001/359918312/00/000	From: September 11, 2024 to September 10, 2025	2,00,00,000	4,150
16.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Marine Open Inland Declaration Policy	2001/360697365/00/000	From: September 20, 2024 to September 19, 2025	3,00,00,000	6,150
17.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Public Liability Insurance (Industrial Risks) Policy	4008/280316845/01/000	From: February 13, 2024 to February 12, 2025	1,00,00,000	5,510
18.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Public Liability Insurance (Industrial Risks) Policy	4008/335464303/00/000	From: March 23, 2024 to March 22, 2025	1,00,00,000	5,510
19.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Public Liability Insurance (Industrial Risks) Policy	4008/334351914/00/000	From: March 13, 2024 to March 12, 2025	1,00,00,000	5,510
20.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Public Liability Insurance (Industrial Risks) Policy	4008/347341736/00/000	From: June 11, 2024 to June 10, 2025	1,00,00,000	5,510
21.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Public Liability Insurance (Industrial Risks) Policy	4008/358972610/00/000	From: September 04, 2024 to September 03, 2025	1,00,00,000	5,510
22.	ICICI Lombard General	Desco Infratech	Public Liability Insurance	4008/358975183/00/000	From: September 04, 2024	1,00,00,000	5,510

Sr. No.	Name of the Insurance Company	Name of the Insured/ Proposer	Type of Policy	Policy No.	Validity Period	Sum Insured (in ₹)	Premium p.a. (in ₹)
	Insurance Company Limited	Private Limited	(Industrial Risks) Policy		to September 03, 2025		
23.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Public Liability Insurance (Industrial Risks) Policy	4008/359918314/00/000	From: September 11, 2024 to September 10, 2025	1,00,00,000	5,510
24.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Public Liability Insurance (Industrial Risks) Policy	4008/360697366/00/000	From: September 20, 2024 to September 19, 2025	1,00,00,000	5,510
25.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Employee's Compensation Insurance	4010/328104331/00/000	From: February 02, 2024 to February 01, 2025	40,20,000	5,500
26.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Employee's Compensation Insurance	4010/285339727/01/000	From: March 23, 2024 to March 22, 2025	49,80,000	6,251
27.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Employee's Compensation Insurance	4010/284079749/01/000	From: March 13, 2024 to March 12, 2025	28,92,000	5,500
28.	Future Generali India Insurance Company Limited	Desco Infratech Private Limited	Employee Compensation Insurance Policy	L0262454	From: June 03, 2024 to June 02, 2025	45,00,000	7,080
29.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Employee's Compensation Insurance	4010/358975177/00/000	From: September 04, 2024 to September 03, 2025	53,52,000	6,151
30.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Employee's Compensation Insurance	4010/360697362/00/000	From: September 20, 2024 to September 19, 2025	54,24,000	6,151
31.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Workman Compensation Insurance	4010/347341730/00/000	From: June 11, 2024 to June 10, 2025	95,64,000	10,150



Sr. No.	Name of the Insurance Company	Name of the Insured/ Proposer	Type of Policy	Policy No.	Validity Period	Sum Insured (in ₹)	Premium p.a. (in ₹)
32.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Workman Compensation Insurance	4010/358972598/00/000	From: September 04, 2024 to September 03, 2025	53,04,000	6,151
33.	ICICI Lombard General Insurance Company Limited	Desco Infratech Private Limited	Workman Compensation Insurance	4010/359918311/00/000	From: September 11, 2024 to September 10, 2025	53,04,000	6,151
34.	Go Digit General Insurance Limited	Desco Infratech Private Limited	Digit Commercial Vehicle Package Policy - Goods Carrying Vehicle	D120620562 / 23012024	From: January 24, 2024 to January 23, 2025	4,50,000	19,046
35.	Go Digit General Insurance Limited	Desco Infratech Private Limited	Digit Commercial Vehicle Package Policy - Goods Carrying Vehicle	D120620608 / 23012024	From: January 24, 2024 to January 23, 2025	4,50,000	19,341
36.	Go Digit General Insurance Limited	Desco Infratech Private Limited	Digit Commercial Vehicle Package Policy - Goods Carrying Vehicle	D134224034 / 05022024	From: February 05, 2024 to February 04, 2025	4,28,128	19,137
37.	United India Insurance Company Limited	Desco Infratech Private Limited	Group Personal Accident Policy	0604004223P111202068	From: December 05, 2023 to December 04, 2024	48,00,000	5,098
38.	Shriram General Insurance Company Limited	Desco Infratech Private Limited	Motor Commercial Vehicle Package Policy	213001/31/24/043569	From: March 22, 2024 to March 21, 2025	4,10,000	23,452

These insurance policies are generally valid for a year and are renewed annually. We believe that the level of insurance we maintain is appropriate for the risks of our business. However, we cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in future. Even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. Please see '*Risk Factors –Our insurance coverage may not adequately protect us against all losses or the insurance coverage may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations*' on page 36.

## PROPERTIES

The details of the immovable properties taken on lease / license basis by our Company are given here below:

Sr. No	Address	Name of Owner	Area of the Property ^	Period of Agreement	Rent details (In ₹)	Purpose
1.	A-703, Swastik Universal, Next to Valentine Theatre, Dumas Road, Umra, Surat-395007, Gujarat, India	M/s. Deven Jashvantlal Desai HUF	1630 sq. ft.	July 15, 2024 to July 15, 2029	Rs. 65,000/- per month subject to increase by 5% every year.	Registered Office
2.	Apartment/Flat No: 14/195, Floor No: 2 <sup>nd</sup> , Near Shastri Road, Navi Peth, Rajendra Nagar, Sadashiv Peth/Navi Peth, Pune- 411030	Mr. Kabra Sudhir Gopaldas	350 sq. ft.	March 29, 2024 to February 27, 2025	Rs. 21,500/- per month.	Branch Office
3.	Mohalla Shahpur Tigri, Near Darapur Vatika, Shahpur to Bhola Singh's Milk Road, Behind Chaitiya Farm House, Ward No. 1 Shahpur Tigri, Moradabad-244001	Mr. Vivek Kumar	69.84 sq mtrs	June 10, 2024 to May 10, 2025	Rs. 11,150/- per month.	Project Office
4.	Shop no 1167 Sector-21B, 55/1, Fatehpur Chandela, HDFC Bank, Faridabad, Haryana-121002	Ms. Priya Singh	540 sq. ft.	April 27, 2024 to March 27, 2025	Rs. 32,000/- per month.	Project Office
5.	MCF No, 932, Khasra No. 2/24, 10/4/1, PID No. IB9ATNR1, Faridabad, Haryana-121007	Mr. Gyan Singh	750 Sq. ft.	January 15, 2024 to January 14, 2027	Rs. 32,500/- per month.	Area Emergency Office (Operation & Maintenance)
6.	2334, HBH Colony Sector 28, Near Shahi Export, Haryana-121008	Ms. Neelam	1150 Sq. ft.	January 15, 2024 to January 14, 2027	Rs. 38,000/- per month.	Area Emergency Office (Operation & Maintenance)
7.	HNO. 6322, New Colony, Palwal-121102, Haryana	Mr. Yogender Kumar	900 Sq. ft.	January 20, 2024 to January 19, 2027	Rs. 25,000/- per month	Area Emergency Office (Operation & Maintenance)



^ Sq. ft. = Square foot, sq mtrs = square meter

The details of the assets taken on rent basis by our Company are given here below:

Sr. No	Description of Assets	Name of Owner	Area of the Property	Period of Agreement	Rent details (In ₹)	Purpose
1.	Office Container	M/s. Akash Services	750 Sq. ft.	May 24, 2024 to May 24, 2025	Rs. 18,000/- per container per month.	Premise for accommodation of employees at solar project site.

## INTELLECTUAL PROPERTY

The details of intellectual property registered in the name of our Company are as follows:

Sr. No	Brand Name/Logo Trademark	Class	Application Number	Owner	Date of Application	Authority	Current Status
1.	Device” Desco Infratech ” 	37	5302903	M/s. Desco Infratech Private Limited, 1-A/6, Rg Edt K Park Nr.Rupali Road,Surat Gj 395017	January 28, 2022	Trademark Registry, Ahmedabad	Registered and Valid till January 27, 2032
	Device” Desco Infratech Limited” 	37	6615398	M/s. Desco Infratech Limited, 1-A/6, , D K Park Nr.Rupali Canal,Bhatar Road,Surat Gj 395017 In	September 09, 2024	Trademark Registry, Ahmedabad	Formalities Chk Pass

#### DOMAIN DETAILS

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	descoinfra.co.in	Registry Domain ID: D0F1048E8B5244D48AD7BB21980F4BF8F-IN	Desco Infratech Private Limited Registrar IANA ID: 146	September 09, 2020	September 09, 2029

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 270 of this Draft Red Herring Prospectus.*

### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### 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 the SEBI Act, 1992, SCRA 1956, SCRR 1957 and other rules and regulations, listed entities are mainly regulated by 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.

### TAX RELATED REGULATIONS

#### Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by October 30 of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### 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 Government 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 level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as 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 interstate 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.

#### Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer

Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance

### **State Tax on Profession, Trades, Callings and Employment Rules, 1975**

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 tax is charged as per the List II of the Constitution. The professional tax is 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.

## **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

### **Policy for development of Natural Gas Pipe lines and City or Local Natural Gas Distribution Networks (the “Pipeline Policy”)**

The Pipeline Policy was notified on December 20, 2006. The Pipeline Policy provides that it may be read in conjunction with the provisions of the PNGRB Act and the rules and regulations framed thereunder. The objective of the Pipeline Policy is to facilitate open access for all players to the pipeline network on a non-discriminatory basis and promote competition among entities thereby avoiding any abuse of the dominant position by any entity. The Pipeline Policy applies to non-dedicated pipelines and not to dedicated pipelines. The latter have been defined as pipelines laid to supply gas to specific consumers originating from regulated pipelines provided the same are for their own use and not for resale. No non-dedicated gas pipeline or city or local gas distribution network may be laid, built, operated or expanded without authorization by the PNG Regulatory Board. If a company’s pipelines come within the definition of dedicated pipelines, it is required to furnish certain details to the PNG Regulatory Board every six months. In case any such pipeline ceases to be a dedicated pipeline in future, the same may be brought to the notice of the PNG Regulatory Board and will require authorization to be granted by the PNG Regulatory Board under the provisions of the PNGRB Act. The Pipeline Policy envisages constitution of a Gas Advisory Body for giving advice to the Central Government and promotes and develops the gas pipeline.

### **Accommodation of Public and Industrial Utility Services along and across National Highways- Policy regarding guidelines**

The policy regarding Accommodation of Public and Industrial Utility along and across National Highway was introduced for the purpose of laying utilities service along and/or across the Right of Way (“RoW”). Utility Services along the National Highways should be laid in utility corridor located at appropriate location preferably as close to the extreme edge of RoW. The policy provides that the pipelines for utilities shall cross the National Highways only through structures or conduits built specially for this purpose. The utility service shall cross the National highway preferably on a line normal to it or as nearly so as applicable. The casing /conduit pipe should, as minimum, extend from drain to drain in cuts and toe of slope to toe of slopes in the fills and shall be designed in accordance with the provision of Indian Road Congress and executed following the specifications of the Ministry.

### **Guidelines on pipeline crossing under railway tracks**

The guidelines on pipeline crossing under railway tracks was introduced for the purpose of conveying inflammable substances like petroleum, oil or gas. Pipeline included under this category are those installed to carry oil, gas, petrol or other inflammable or highly volatile substances under pressure, or any substance, which form its nature or pressure might cause damage if escaping on, or in the vicinity of railway property. Pipeline crossing should not be located in close vicinity of existing bridges, buildings and other type of structures and should be minimum 14m away from these.

### **ASMEB 31.8, 1999 (“ASMEB 31.8”)**

ASME B31.8 relates to gas transmission and distribution piping systems. This code covers the design, fabrication, installation, inspection and testing of pipeline facilities used for the transportation of gas. This code also covers safety aspects of the operation and maintenance of those facilities.

### **The Bureau of Indian Standards Act, 1986**

The Bureau of Indian Standards Act, 1986 (“BIS Act”) was established to provide for the establishment of a bureau (“Bureau”) for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected there with. “Indian Standard” means the standard (including any tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

## **Petroleum and Natural Gas Regulatory Board (the “PNGRB”) Regulations**

### **i. PNGRB (Authorizing Entities to lay, build, operate or expand city or local natural gas distribution networks) Regulations, 2008 (the “CGD Authorization Regulations”)**

The CGD Authorization Regulations authorize, regulate and lay down the criteria and procedure for entities to lay, build, operate or expand a City Gas Distribution (“CGD”) network. The CGD Authorization Regulations pave the way for development of CGD network and provides for selection of an entity through an open bidding process. Regulation 5 of the CGD Authorization Regulations specifies the minimum eligibility criteria for an entity to participate in the bidding process and regulation 14, 15 and 16 specify post authorization monitoring of activities, service obligations and the consequences of default and termination of authorization procedure. Regulation 5(8) provide for a period of ninety days for submission of application cum bid for grant of authorization for laying, building, operating and expanding the CGD network.

As per regulation 10(3) of the CGD Authorization Regulations, the grant of authorization to an entity cannot be renounced by way of sale, assignment, transfer or surrender to any person or entity till five years from the date of issue. On failure to abide by the terms and conditions specified in these regulations and/ or on failure to take remedial actions to correct the same, the performance bond may be encashed or the authorization of the entity may be terminated as per the procedure prescribed in regulation 16. Civil penalty under the PNGRB Act may also be applied.

The PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Amendment Regulations, 2015, amended the CGD Authorization Regulations. Such amendments covered situations in case of a tie in the highest composite score between entities bidding for grant of authorization to lay, build, operate or expand city or local gas distribution network. In case of a tie between entities, such entities shall be asked to submit an additional bid bond and the entity submitting the bid bond of a higher amount shall be granted the said authorization. By way of this amendment, the PNGRB has also allowed an existing entity to induct a new partner in laying, building, operating or expanding city or local natural gas distribution network, till such time the existing entity continues to be a lead partner. In relation to selection criteria of an entity bidding for the authorization, the amendment lays down that an entity submitting the bid should not have been imposed any penalty under section 28 or punished under chapter IX of the PNGRB Act, during the period of preceding one year from the last date of submission of the bid. Further, the minimum time period before which an entity can renunciate its rights in favor of a new entity has been increased from three years to five years. The amendment in respect of an additional bid bond in case of a tie between the entities was applicable from the 4th City Gas Distribution Bidding Round to the 8th City Gas Distribution Bidding Round.

The PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Amendment Regulations, 2016, amended the provisions of the CGD Authorization relating to definitions of “compression charge of CNG” and “network tariff”. The amendment also amended provisions in relation to criteria for bidding by entities and fixing of natural gas pipeline tariff etc. The amendment has allowed the PNGRB to determine the transportation tariff as per the PNGRB Act.

### **ii. PNGRB (Exclusivity for City or Local Natural Gas Distribution Network) Regulations, 2008 (the “PNGRB Exclusivity Regulations”)**

The PNGRB Exclusivity Regulations stipulate the terms under which the PNGRB can grant exclusivity rights over CGD networks to entities selected through a bid process or through other provision of the CGD Authorization Regulations and relevant section of PNGRB Act (authorized entity). The PNGRB is empowered to grant an exclusive right to lay, build or expand CGD networks (infrastructure exclusivity). Infrastructure exclusivity is granted for a term lasting the economic life of the project which is normally expected to be twenty five years. The PNGRB can also grant an exclusive right to supply gas through the CGD network i.e., exclusivity from the purview of common carrier or contract carrier (marketing exclusivity) to an entity proposing to lay, build or expand a CGD network. Marketing exclusivity can only be granted for a limited period of time i.e., for a maximum period of five/eight years after which the authorized entity is required to allow other entities to supply gas through the CGD network on a non-discriminatory basis. Exclusivity has been offered to entities in order to incentivize investment in developing CGD networks and to facilitate their development in a planned and

integrated manner. Entities selected to exclusively service a geographical area are required to furnish a specific performance bond to the PNGRB. Further, an authorized entity must comply with the service obligations set out in the regulations during and after the exclusivity period such as inter alia providing domestic PNG connections as per the bid and laying the CGD network throughout the authorized area.

**iii. PNGRB (Guiding Principles for Declaring City or Local Natural Gas Distribution Network) Regulation, 2020 (the “PNGRB Guiding Principles Regulations”)**

These PNGRB Guiding Principles Regulations have been issued by the PNGRB for the purpose of protecting the interests of consumers by fostering fair trade and competition amongst the entities, promoting competition among entities, avoiding infructuous investment and for maintaining or increasing supplies or for securing equitable distribution or ensuring adequate availability of natural gas to consumers. These regulations shall apply to an authorized entity after expiry of marketing exclusivity period of an authorized area.

**iv. PNGRB (Technical Standards and Specifications including Safety Standards for City or Local Natural Gas Distribution Networks) Regulations, 2008 (the “Technical Standards Regulations”)**

The Technical Standards Regulations address the design, materials, fabrication, installation, inspection and testing, commissioning, operation, maintenance, modifications and abandonment of CGD network. Standards for city or local natural gas distribution networks have been specified to ensure uniformity in the application of design principles and to guide selection and application of materials and components. These standards are monitored by the PNGRB to ensure compliance. In the event of failure to meet the standards laid down under the Technical Standards Regulations, the authorization of the entity may be suspended or terminated as per the procedure laid down thereunder. The PNGRB (Technical Standards and Specifications including Safety Standards for City or Local Natural Gas Distribution Networks) Amendment Regulations, 2016 have amended the provisions of Technical Standards Regulations relating to technical standards and specifications including safety standards for city or local natural gas distribution networks as specified in schedule-I which cover material and equipment (Schedule-1A), piping system components and fabrication (Schedule- 1C) and design, installation and testing (Schedule-1D).

**v. PNGRB (Code of Practice for Quality of Service for City or Local Natural Gas Distribution Networks) Regulations, 2010 (the “Service Quality Regulations”)**

The Service Quality Regulations lay down the code of practice for promoting reliable service to consumers and the public. They also provide service standards to be complied with by every CGD entity authorized for laying, maintaining and expanding CGD networks for new and existing PNG connections. Further, the Service Quality Regulations also prescribe a code of practice with reference to metering and billing of domestic, commercial and industrial connections and a code of practice with reference to planned network interruptions. Under these regulations, CGD entities are required to submit annual returns to the PNGRB as specified in Schedule I which covers technical, consumers, complaints, regulatory compliance plan and reliability of supply.

**vi. PNGRB (Access Code for City or Local Natural Gas Distribution Networks) Regulations, 2020 (the “Access Code Regulations”)**

The Access Code Regulations govern the contracts between authorized entities and shippers such as common carriers and contract carriers. The Access Code Regulations mandate authorized entities to provide nondiscriminatory access to CGD and LNG networks at the end of the exclusivity period to any entity or shippers who want access to entry point capacity, exit point capacity and delivery at CNG exit point capacity on such networks for supply of natural gas to domestic, commercial or industrial consumers. The authorized entities are required to declare entry point, exit point, exit point capacity and publish an information memorandum for seeking capacity booking on its website, 90 days before the end of its exclusivity period. The Access Code Regulations also provide for payment of certain charges to authorized entities by the shippers for gaining access to its CGD Networks. The Access Code Regulations prevent abuse of monopoly in the distribution system and promote the development of a competitive market by establishing uniform principles.

**vii. PNGRB (Integrity Management System for City or Local Natural Gas Distribution Networks) Regulations, 2013 (the “Integrity Management Systems Regulations”)**

The Integrity Management Systems Regulations outline the basic features and requirements for developing and implementing an effective and efficient integrity management plan for CGD networks through evaluating the risks associated with it and allocating resources effectively for prevention, detection and mitigation activities and improving the

safety of CGD networks so as to protect personnel, property, public and environment and by streamlining operations. They provide a system for ensuring compliance with their provisions by conducting the following audits during operation phase:

- a) Internal audit as per the checklist for CGD Networks provided by PNGRB to be carried out by the management of the operator every year; and
- b) External audit by a third party, approved by the PNGRB, as per the methodology which is specified by the PNGRB every three years.

The Integrity Management System Regulations provide that in the event of any deviation or short fall in the implementation of the system the entity may be liable to face the penal consequences as per the relevant provisions of the PNGRB Act and Integrity Management System Regulations.

**viii. PNGRB (Determining Capacity of City or Local Natural Gas Distribution Network) Regulations, 2015 (the “Capacity Determination Regulations”)**

The Capacity Determination Regulations outline the methodology including procedure, parameters, both constant and variable and frequency of declaration of CGD network capacity which shall be used for providing access to a shipper on a non-discriminatory basis under the PNGRB (Access Code for City or Local Natural Gas Distribution Networks) Regulations, 2020.

The capacity of a CGD network shall be determined by entities on the first working day of October every year or whenever there is a change in quantity of natural gas plus or minus 10% of previous declared capacity due to any of the following:

- a) change in quality of gas;
- b) modification, upgradation, addition or deletion of entry or exit points; and
- c) addition or deletion of loop lines, compressor etc.

Entities have to submit a report to the PNGRB once the determination of capacity is made. The PNGRB after analyzing the report submitted by an entity can either accept or reject the declared capacity. Once accepted, the entity shall publish the accepted CGD network capacity on its website in accordance with the Access Code Regulations.

**ix. PNGRB (Codes of Practices for Emergency Response and Disaster Management Plan (ERDMP)) Regulations, 2010 (the “ERDMP Regulations”)**

The ERDMP Regulations cover identification of emergencies, the mitigation measures to reduce and eliminate the risk or disaster, the preparedness required to develop plans for actions when disaster or emergencies occur. Schedule VII of the ERDMP Regulations lays down the emergency response and disaster management plan required to be implemented with respect to pipelines carrying petroleum products. The ERDMP Regulations also provide the responses that mobilize the necessary emergency services including responders like fire service, police service, medical service and the post disaster recovery with aim to restore the affected area to its original conditions. Emergencies under the ERDMP Regulations can be categorized into three broad levels on the basis of seriousness and response requirements. The ERDMP Regulations provide that records all incidents covered under Level-I should be maintained by the entity for inspection whenever called for inspection and Level-II and Level-III shall be reported to the PNGRB in the format specified within 48 hours after occurrence of the incidents or any other reason triggering major incident. The PNGRB is empowered by regulation 8 of the ERDMP Regulations to monitor compliance with ERDMP, technical standards and specifications, either directly or indirectly through accredited third parties. In the event of deviation from the recommended standards, the entities would be liable to the penal provisions under the applicable technical standards and specifications.

**PNGRB (Third Party Conformity Assessment) Regulations, 2015 (the “Third Party Conformity Regulations”)**

The Third-Party Conformity Regulations outline the mechanism for assessment of conformity to various regulations by entities through approved agencies or by the PNGRB on its own including eligibility criteria and procedure for assessment of third party agency for empanelment as approved agency.

**MoPNG /PNGRB Guidelines**

**i. PNGRB (Commissioning and Gas charging in steel pipelines for city or local Natural Gas Distribution Networks) Guidelines, 2016 (the “Commissioning Guidelines”)**

The Commissioning Guidelines have been issued by the PNGRB for the purposes of safe purging, commissioning and decommissioning of city or local natural gas distribution network. The Commissioning Guidelines are applicable to an



entity which is laying, building, operating or expanding or which proposes to lay, build, operate or expand a city or local natural gas distribution network. The Commissioning Guidelines provide for pre-commissioning checks, safety audits, safety measures etc. to be undertaken prior to commissioning.

**ii. PNGRB (Gas Supplies to Industrial, Commercial customers) Guidelines, 2020 (the “Gas Supplies Guidelines)**

The Gas Supplies Guidelines have been issued by the PNGRB for the purpose of ensuring the health, safety and integrity of internal installation within the customer premises including and not limited to its material selection, planning and designing, installation, inspection, testing and commissioning as well as operation and maintenance of the facilities downstream of Meter or MRS conforming to specifications laid down in the PNGRB Technical Standards for CGD Networks (T4S).

**iii. PNGRB (Gas Supplies to Multi Occupancy Residential Buildings) Guidelines, 2020 (the “Gas Supplies Guidelines II”)**

The Gas Supplies Guidelines II have been issued by the PNGRB for the purpose of installation of the pipes etc. For supplying natural gas to multi occupancy residential buildings (domestic premises) where natural ventilation is not available, in the tertiary network and up to and including the steel reinforced rubber hose installed inside the kitchen of the domestic customer and includes the risers and laterals systems to facilitate supply of natural gas to the domestic customers.

**Policy for development of Natural Gas Pipelines and City or Local Natural Gas Distribution Networks (the “Pipeline Policy”)**

The Pipeline Policy was notified on December 20, 2006. The Pipeline Policy provides that it may be read in conjunction with the provisions of the PNGRB Act and the rules and regulations framed thereunder. The objective of the Pipeline Policy is to facilitate open access for all players to the pipeline network on a non-discriminatory basis and promote competition among entities thereby avoiding any abuse of the dominant position by any entity. The Pipeline Policy applies to non-dedicated pipelines and not to dedicated pipelines. The latter have been defined as pipelines laid to supply gas to specific consumers originating from regulated pipelines provided the same are for their own use and not for resale. No non-dedicated gas pipeline or city or local gas distribution network may be laid, built, operated or expanded without authorization by the PNG Regulatory Board. If a company’s pipelines come within the definition of dedicated pipelines, it is required to furnish certain details to the PNG Regulatory Board every six months. In case any such pipeline ceases to be a dedicated pipeline in future, the same may be brought to the notice of the PNG Regulatory Board and will require authorization to be granted by the PNG Regulatory Board under the provisions of the PNGRB Act. The Pipeline Policy envisages constitution of a Gas Advisory Body for giving advice to the Central Government and promotes and develops the gas pipeline.

**The National Building Code, 2016**

The National Building Code of India, 2016 (NBC), comprehensive building Code, is a national instrument providing guidelines for regulating the building construction activities across the country. It serves as a Model Code for adoption by all agencies involved in building construction works, Public Works Departments, other government construction departments, local bodies or private construction agencies. The Code mainly contains administrative regulations, development control rules and general building requirements, fire safety requirements, stipulations regarding materials, structural design and construction (including safety, building and plumbing services; approach to sustainability; and asset and facility management).

**The Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996 (“BOCW Act”)**

The BOCW Act provides for regulation of employment and conditions of service of buildings and construction workers as also their safety, health and welfare measures. The BOCW Act applies to every establishment which employs or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work. The BOCW Act lays down the duties and responsibilities of employers and employees undertaking any operation or work related to or incidental to building or other construction work.

**Buildings and Other Construction Workers’ Welfare Cess Act, 1996 (“BOCW Cess Act”) and the rules framed thereunder**

The BOCW Cess Act provides for the levy and collection of a cess on the cost of construction incurred by employers with a view to augmenting the resources of the Building and Other Construction Workers’ Welfare Boards constituted under the

BOCW Cess Act. A prescribed quantum of the construction cost incurred by the employer is required to be deposited by the employer as welfare cess under the BOCW Cess Act.

### **Guidelines for Implementation of Scheme of National Projects (“NP Scheme”)**

The NP scheme has been approved by the Government of India with a view to expedite completion of identified national projects for the benefit of the people. The identified national projects will be provided financial assistance by the Government of India in form of Central grant which will be 90% of the estimated cost of such projects for their completion in time bound manner.

### **National Electricity Plan, 2023**

The Central Electricity Authority (CEA) has released the National Electricity Plan (NEP) (Volume-I Generation) covering the period from 2022 to 2032. As outlined in the NEP document, the anticipated all India peak electricity demand and electrical energy requirement are projected to be 277.2 GW and 1907.8 billion units (BU) for the year 2026-27, and 366.4 GW and 2473.8 BU for the year 2031-32, based on the 20th Electric Power Survey (EPS) Demand projections. These projections encompass the impact of factors such as the increased adoption of Electric Vehicles, installation of solar rooftops, production of Green hydrogen, and the Saubhagya scheme. The National Electricity Plan for 2023 outlines measures to address energy requirements, including targeted utilization of clean energy resources.

### **Electricity (Promoting renewable Energy through Green Energy Open Access) Rules, 2022**

The Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022, introduced in India, mark a significant stride in promoting renewable energy adoption. These rules focus on facilitating green energy open access, ensuring access to affordable, reliable, sustainable and green energy for all. The framework aims to enhance the accessibility and utilization of clean energy, contributing to sustainability goals.

### **Renewable Purchase Obligations**

The Electricity Act encourages the advancement of renewable energy sources by mandating the respective electricity regulatory commission to ensure the connection to the grid and the sale of electricity generated from renewable sources. Additionally, it obliges the relevant electricity regulatory commission to define a percentage of the total electricity consumption within a distribution licensee's area for the purchase of electricity from renewable sources, known as renewable purchase obligations (RPOs). In line with this requirement, most electricity regulatory commissions have outlined solar and non-solar RPOs in their respective states. According to RPO regulations, obligated entities (such as distribution licensees, captive power plants, and open access consumers) must fulfil their RPOs by procuring renewable energy. This can be achieved through power purchase agreements (PPAs) with renewable energy producers or by acquiring renewable energy certificates. In accordance with the order dated June 14, 2018 (no. 23/03/2016-R&R) from the Ministry of Power, Government of India (MoP), the MoP has communicated the consistent, long-term trajectory for renewable purchase obligations concerning both solar and non-solar categories. This trajectory is applicable uniformly to all states/Union Territories for duration of three years, spanning Fiscal Years 2020 to 2022. Furthermore, as per the order issued on January 15, 2021 (no. 23/12/2016-R&R) by the Ministry of Power, Government of India (MoP), the MoP has officially announced the exemption of inter-state transmission charges and losses for the transmission of electricity generated from solar and wind energy sources. Moreover, in accordance with the order issued on June 21, 2021 (no. 23/12/2016-R&R Part-(1) [239444]), in conjunction with the order dated January 15, 2021 (no. 23/12/2016-R&R) from the Ministry of Power, Government of India (MoP), the MoP has officially announced the exemption of inter-state transmission charges and losses for the transmission of electricity generated from solar and wind energy sources.

Central Electricity Authority (Measures Relating to Safety & Electric Supply) Regulations, 2023: The regulations were notified on June 08, 2023 thus repealing the regulations of 2010 and are applicable to electrical 145 | Page installation including electrical plant and electric line, and the person engaged in the generation or transmission or distribution or trading or supply or use of electricity. It states that no electrical installation work, including additions, alterations, repairs and adjustments to existing installations, except such replacement of lamps, fans, fuses, switches, domestic appliances of voltage not exceeding 250V and fittings as in no way alters its capacity or character, shall be carried out upon the premises of or on behalf of any consumer, supplier, owner or occupier for the purpose of supply except by an electrical contractor licensed in this behalf by the State Government and on its behalf under the direct supervision of a person holding a certificate of competency and by a person holding a permit issued or recognized by the State.

## **ENVIRONMENT LAWS:**

## **National Environmental Policy, 2006**

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:—

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

## **Environmental Legislations**

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”), aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board. The Forest (Conservation) Act, 1980 (“FCA”) read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aim to protect and improve the environment and provide rules for prevention, control and abatement of environment pollution and impose obligation for proper handling, storage, treatment, transportation and disposal of hazardous wastes.,

## **Environment Impact Assessment Notification of 2006**

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### **The Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

## **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, 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 FIF 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, 2017 (“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, 2015 for regulation on exports of goods and services.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

### **Laws related to Overseas Investment by Indian Entities:**

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in supression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI have vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

### **Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA 1992”)**

The FTDRA 1992 seeks to develop and regulate foreign trade by facilitating imports into and augmenting exports from India. The FTDRA 1992 prohibits a person or company from making any exports or imports unless such a person or company has been granted an importer-exporter code number.

### **Foreign Trade Policy 2023**

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance

Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

### **The Industrial Relations Code, 2020 (“Industrial Code”)**

The Ministry of Law and Justice, with an intent to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute, has introduced the Industrial Code. The Code provides that the Central Government may repeal the provisions of the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 and may supersede them with the applicability of any provision of the Industrial Code. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply, and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees State Insurance Act, 1948, as amended (the “ESIC Act”)**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **Employees Deposit Linked Insurance Scheme (EDLI)**

The Employees Deposit Linked Insurance Scheme or EDLI is an insurance cover provided by the EPFO (Employees Provident Fund Organisation) for private sector salaried employees who are members of EPFO. The EDLI scheme was launched in 1976. The registered nominee receives a lump-sum payment in the event of the death of the person insured (employee) during the period of the service

### **Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946
- Apprentices Act, 1961
- The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing 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.

### **The Designs Act:**

The Design Act came into effect on 25th May 2000. The act is built on a first-to-file, first-to-get approach, which means that the inventor or developer of a design should file a registration application as soon as possible to prevent others from claiming rights to that design. Its major goal is to prevent innovative or original designs from being copied and causing financial harm to the owner.

Requirements under the design act:

- The design under it should be novel and original- If a design has been previously registered under the act, it will not be valid for registration again. It should possess a unique and distinctive quality.
- A prior publication is off-limits- There should have been no other such design that had already been exposed and revealed to the public before.
- Morality- The design should not be opposed to the morals of the law or the society.
- Application- An application must be made for the said design for its final publication as the first step of registration.

## **OTHER GENERAL RULES AND REGULATIONS:**

### **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 Code establish an Insolvency Regulator (The Insolvency and Bankruptcy Board of India) to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities. Any creditor in the nature of financial or operational, in case of nonpayment of its debt within the due date have the right to file an insolvency and bankruptcy against the debtor under the Code with the appropriate authority. The Code has established fast track insolvency resolution process for all companies and other business entities. The process will have to be completed within 90 days, which may be extended up to 45 more days if 75% of financial creditors agree. Extension shall not be given more than once.

### **State Laws**

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and

safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### **Shops & Commercial Establishments Act of the respective States in which the Company has an established place of business/ office ("Shops Act")**

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **Municipality Laws**

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Other regulations:**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996, The Insolvency & Bankruptcy Code, 2016 are also applicable to the company.

## **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

## HISTORY AND CERTAIN CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated on January 19, 2011 under the name “Desco Infratech Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat. Subsequently, the status of the Company was changed to public limited Company and the name of our Company was changed to “Desco Infratech Limited” vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting of our Company held on June 01, 2024. The fresh certificate of incorporation consequent to conversion was issued on July 26, 2024 by Central Processing Centre. The Corporate Identification Number of our Company is U45201GJ2011PLC063710.

Ms. Indiraben Pruthubhai Desai, Mr. Pankaj Pruthu Desai, Ms. Hina Pankaj Desai, Mr. Malhar P Desai and Mr. Samarth Pankaj Desai are the current promoters of our Company.

Our Company is mainly engaged in providing infrastructure and maintenance services to city gas distribution divisions in India. We engage in activities such as pipeline laying, installation, testing, erection and commissioning for Piped Natural Gas (PNG) utilized by both domestic and commercial users and in its operation and maintenance services. Our Company has recently begun offering services in the power distribution projects relating to connectivity, commissioning, and erection of Low Tension (LT) and High Tension (HT) cables, in water distribution projects by offering by designing and constructing water distribution networks, open wells, sump wells, overhead tanks, and well systems and in the renewable energy sector by providing erection of reinforced concrete (RCC) piles for foundational and structural support, along with the installation of structures and solar modules for energy capture.

For information on our Company’s profile, activities, products, market, growth, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, please refer the chapter titled “Our Business”, “Industry Overview”, “Our Management”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages,143 ,125, 196,220 and 261 respectively of this Draft Red Herring Prospectus.

Our Company has 74 (Seventy-four) shareholders as on the date of filing of this Draft Red Herring Prospectus.

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

There has been no change in the address of the registered office of our Company since the date of incorporation, except as disclosed below:

From	To	With effect from	Reason for Change
Shop No. 16, First Floor Gulab Tower, Sola Bhuyangdev Road, Sola, Ahmedabad, Gujarat-380054, India	1-A/6, D K Park, Nr. Rupali Canal, Bhatar Road, Surat, Gujarat-395017, India	February 07, 2018	Operational convenience
1-A/6, D K Park, Nr. Rupali Canal, Bhatar Road, Surat, Gujarat-395017, India	A-703, Swastik Universal, Next to Valentine Theatre, Dumas Road, Umra, Surat, Gujarat-395007, India	September 11, 2024	Operational convenience



**MAJOR EVENTS IN THE HISTORY OF OUR COMPANY**





Year	Key Events/Milestones/Achievements
2011	Incorporation of our Company under the name “Desco Infratech Private Limited”
2017	Got awarded from Gail Gas Limited for execution of domestic PNG connections in Varanasi.
2021	Got awarded from Adani Total Gas Limited for showcasing the highest level of HSE compliance and being a privileged winner of orange cap.
2022	Got awarded from Adani Total Gas Limited for showcasing the highest level of HSE compliance and being a privileged winner of orange cap.
2023	Got awarded by Industry Outlook Magazine as ‘One of the Top 10 Service Providers for Oil and Gas Industry’.
2023	Got awarded by “The Economic Times” in the ‘Energy Leadership Award’ as Company of the year for City Gas Distribution.
2023	Got order from Annex Infotechnologies Private Limited to provide services works for execution of works for connectivity and laying of double walt cable and HDPE pipes including cabling and termination works for Traffic Signal Lights in Surat under Smart City Scheme.
2024	Got order from Adani Green Energy Six Limited to provide services at Gujarat Hybrid Renewable Energy Park.
2024	Got order from Public Health Engineering Department (PHED) on the Jal-Jeevan Mission project, involving the supply, installation, laying, and commissioning of HDPE pipes, as well as the construction of overhead tanks and open wells in Jhabua, Madhya Pradesh
2024	Got the certificate of nomination from India’s 5,000 Best MSME Awards for quality excellence.
2024	Conversion of our Company from Private Limited to Public Limited Company in the name and style of “Desco Infratech Limited”.

## MAIN OBJECTS OF OUR COMPANY

The main objects as set forth in the Memorandum of Association of our Company are as follows:

1. To develop on in India or elsewhere the business to undertake development of infrastructure work on build, operate and transfer basis as contracted from the Central Government, various State Governments, Union Territories, cantonments, local authorities, gram panchayats, autonomous bodies, and other Government departments and to develop, construct, run, repair, maintain, decorate, improve, remodel, build, operate and manage roads, bridges, highways, railways, waterways, gaslines, airport, docks, ports, jetties, gardens, public places, buildings and other structures, developments, utilities etc. and to operate and transfer the same to the Government as per agreement and to do all other acts and things as may be necessary from time to time.
2. To carry on the business of construction and laying of pipeline, for supply of water and to construct an intake well, pump house and pipe line for the said purpose and provide other necessary infrastructure to transport water from the intake well and pump house to the intended users, to undertake all necessary works, including design, construction,

testing, and commissioning of the pipeline, intake well, pump house, and other related infrastructure, to operate, maintain, and repair the pipeline, intake well, pump house, and other related infrastructure to ensure efficient and reliable supply of water to the intended users.

3. To design, manufacture, and install pipelines including MDPE/HDPE/DI/MS/CS pipelines for the transmission and distribution of various fluids, including water, wastewater, gas, and chemicals, to provide engineering, procurement, and construction services for pipeline projects, including pipeline design, material selection, fabrication, testing, and installation, to offer specialized services such as pipeline welding, fusion, and testing to ensure the integrity and reliability of pipelines, to develop and maintain expertise in the installation of pipelines in various environments, including urban, rural, and remote areas, to provide training and technical assistance to clients on the use and maintenance of pipelines, to participate in tenders and bids for pipeline projects in various sectors, including government agencies, private companies, and municipalities.
4. To carry on the business in India or elsewhere of providing manpower placement, consulting, recruitment, staffing, contract staffing, fulltime placements, full time recruitment, hiring activities, staff augmentation, project management, selecting, interviewing, training and employing all types of executives, middle management staff, junior level staff, workers, laborers skilled/unskilled etc. required to individuals, bodies, corporate, societies, undertakings, institutions, organizations, associations, government, local authorities etc. and providing services as human resource managers, consultants and advisors and to provide contractual advice and guidance on employment matters and other human resource services associated with contractual services including termination and outplacement required to individuals, bodies, corporate, societies, undertakings, institutions, organizations, associations, government, local authorities etc. and security management including industrial, commercial housing and all types of security services, labour consultants, labour contractors and to make available knowledge, skill, experience, staff, labour, Security Personnel, Armed Guards and Escorts to any person, persons, firm, body corporate or Government and Semi-Government organizations or any other organizations, authority or entity for the purpose of Security, Detection, Intelligence, Labour, and Management, and workers for office management and to conduct employment bureau and to provide consultancy, development of software designing, development, customization, maintenance, testing, dealing in computer software, solutions and applications, trading, acting as an agent for third party, software packages and other services in connection with requirements of persons and manpower supply in India and abroad.
5. To undertake, operate and maintain various types of facilities, including but not limited to buildings, structures, and infrastructure, industrial and commercial complexes, residential and commercial properties, power plants, transmission lines, and distribution systems, water treatment plants, pipelines, and distribution systems, wastewater treatment plants and collection systems, transportation infrastructure, including roads, bridges, and tunnels and other facilities of maintenance, technical support and consulting services in India and abroad.
6. To carry on, manage, supervise and control the business of transmitting, manufacturing, supplying, generating, distributing and dealing in electricity and all forms of energy and power generated by any source whether nuclear, steam, hydro or tidal, water, wind, solar, hydrocarbon fuel or any other form, kind or description for captive consumption and surplus if any for sale as per regulatory norms prevailing from time to time in India.
7. To generate, develop, accumulate, produce, manufacture, purchase, process, transform, distribute, transmit, sale, supply, sub-contract and/or otherwise import, export, deal in any kind of solar energy, renewable energy, wind mill and any products or by-products derived from any such business of energy and to set up solar power systems, solar structure, solar panel or any other facility to generate power and deal with all persons including companies, governments and semi-governments bodies, State Electricity Boards, industrial units for these purposes and to do all such acts, deeds and things and to carry out all necessary activities for the aforesaid purpose.
8. To acquire concessions or licenses granted by or to enter into contracts with, the Government of India, any State Government, Municipal, Local Authority or other Statutory bodies, Companies or any other person for the development, erection, installation, establishment, construction, operation and maintenance of solar power plants, wind mill and in this regard to promote, develop, own, acquire, set up, erect, build, install, commission, construct, establish, maintain, improve, manage, operate alter, control, take on hire / lease, carry out and run all necessary Plants, equipments, sub-stations, workshops, generators, transmission facilities, machinery, electrical equipment, accumulators, repair shops, wires, cables, lamps, fittings and apparatus in the capacity of principals, contractors, developers or otherwise and to deal, buy, sell and hire / lease all apparatus and things required for or used in connection with generation, distribution, supply, accumulation of Solar Energy or wind power energy.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION

The following changes have been made in the Memorandum of Association of our Company since Incorporation:

Date of Meeting	Type	Nature of Amendment
July 18, 2011	EOGM	<p><b><u>Alteration in Capital Clause:</u></b></p> <p>Authorised Share Capital of company was increased from ₹1 Lakh divided into 10,000 Equity Shares of ₹ 10/- each to ₹15 Lakhs divided into 1,50,000 Equity Shares of ₹ 10/- each.</p>
December 16, 2020	EOGM	<p><b><u>Alteration in Capital Clause:</u></b></p> <p>Authorised Share Capital of company was increased from ₹15 Lakhs divided into 1,50,000 Equity Shares of ₹ 10/- each to ₹25 Lakhs divided into 2,50,000 Equity Shares of ₹ 10/- each.</p>
September 02, 2022	EOGM	<p><b><u>Alteration in Capital Clause:</u></b></p> <p>Authorised Share Capital of company was increased from ₹25 Lakhs divided into 2,50,000 Equity Shares of ₹ 10/- each to ₹49 Lakhs divided into 4,90,000 Equity Shares of ₹ 10/- each.</p>
June 01, 2024	EOGM	<p><b><u>Alteration in Name and Object Clause pursuant to conversion:</u></b></p> <p>The Company converted from Private Limited to Public Limited and pursuant to that the name of company was changed from “Desco Infratech Private Limited” to “Desco Infratech Limited”.</p> <p><b>The existing Sub Clause 1 of clause III(A) of the main objects of the Company was substituted from:</b></p> <p><i>“To develop on in India or elsewhere the business to undertake development of infrastructure work on build, operate and transfer basis as contracted from the Central Government, various State Governments, Union Territories, cantonments, local authorities, gram panchayats, autonomous bodies, and other Government departments and to develop, construct, run, repair, maintain, decorate, improve, remodel, build, operate and manage roads, bridges, highways, railways, waterways, gaslines, airport, docks, ports, jetties, gardens, public places, buildings and other structures, developments, utilities etc. and to operate and transfer the same to the Government as per agreement and to do all other acts and things as may be necessary from time to time.”</i></p> <p><b>with the following new Sub Clause 1 as under:</b></p> <p>The main objects as set forth in the Memorandum of Association of our Company are as follows:</p> <ol style="list-style-type: none"> <li>1. To develop on in India or elsewhere the business to undertake development of infrastructure work on build, operate and transfer basis as contracted from the Central Government, various State Governments, Union Territories, cantonments, local authorities, gram panchayats, autonomous bodies, and other Government departments and to develop, construct, run, repair, maintain, decorate, improve, remodel, build, operate and manage roads, bridges, highways, railways, waterways, gaslines, airport, docks, ports, jetties, gardens, public places, buildings and other structures, developments, utilities etc. and to operate and transfer the same to the Government as per agreement and to do all other acts and things as may be necessary from time to time.</li> <li>2. To carry on the business of construction and laying of pipeline, for supply of water and to construct an intake well, pump house and pipe line for the said</li> </ol>

Date of Meeting	Type	Nature of Amendment
		<p>purpose and provide other necessary infrastructure to transport water from the intake well and pump house to the intended users, to undertake all necessary works, including design, construction, testing, and commissioning of the pipeline, intake well, pump house, and other related infrastructure, to operate, maintain, and repair the pipeline, intake well, pump house, and other related infrastructure to ensure efficient and reliable supply of water to the intended users.</p> <p>3. To design, manufacture, and install pipelines including MDPE/HDPE/DI/MS/CS pipelines for the transmission and distribution of various fluids, including water, wastewater, gas, and chemicals, to provide engineering, procurement, and construction services for pipeline projects, including pipeline design, material selection, fabrication, testing, and installation, to offer specialized services such as pipeline welding, fusion, and testing to ensure the integrity and reliability of pipelines, to develop and maintain expertise in the installation of pipelines in various environments, including urban, rural, and remote areas, to provide training and technical assistance to clients on the use and maintenance of pipelines, to participate in tenders and bids for pipeline projects in various sectors, including government agencies, private companies, and municipalities.</p> <p>4. To carry on the business in India or elsewhere of providing manpower placement, consulting, recruitment, staffing, contract staffing, fulltime placements, full time recruitment, hiring activities, staff augmentation, project management, selecting, interviewing, training and employing all types of executives, middle management staff, junior level staff, workers, laborers skilled/unskilled etc. required to individuals, bodies, corporate, societies, undertakings, institutions, organizations, associations, government, local authorities etc. and providing services as human resource managers, consultants and advisors and to provide contractual advice and guidance on employment matters and other human resource services associated with contractual services including termination and outplacement required to individuals, bodies, corporate, societies, undertakings, institutions, organizations, associations, government, local authorities etc. and security management including industrial, commercial housing and all types of security services, labour consultants, labour contractors and to make available knowledge, skill, experience, staff, labour, Security Personnel, Armed Guards and Escorts to any person, persons, firm, body corporate or Government and Semi-Government organizations or any other organizations, authority or entity for the purpose of Security, Detection, Intelligence, Labour, and Management, and workers for office management and to conduct employment bureau and to provide consultancy, development of software designing, development, customization, maintenance, testing, dealing in computer software, solutions and applications, trading, acting as an agent for third party, software packages and other services in connection with requirements of persons and manpower supply in India and abroad.</p> <p>5. To undertake, operate and maintain various types of facilities, including but not limited to buildings, structures, and infrastructure, industrial and commercial complexes, residential and commercial properties, power plants, transmission lines, and distribution systems, water treatment plants, pipelines, and distribution systems, wastewater treatment plants and collection systems, transportation infrastructure, including roads, bridges, and tunnels and other facilities of maintenance, technical support and consulting services in India and abroad.</p>

Date of Meeting	Type	Nature of Amendment
		<p>6. To carry on, manage, supervise and control the business of transmitting, manufacturing, supplying, generating, distributing and dealing in electricity and all forms of energy and power generated by any source whether nuclear, steam, hydro or tidal, water, wind, solar, hydrocarbon fuel or any other form, kind or description for captive consumption and surplus if any for sale as per regulatory norms prevailing from time to time in India.</p> <p>7. To generate, develop, accumulate, produce, manufacture, purchase, process, transform, distribute, transmit, sale, supply, sub-contract and/or otherwise import, export, deal in any kind of solar energy, renewable energy, wind mill and any products or by-products derived from any such business of energy and to set up solar power systems, solar structure, solar panel or any other facility to generate power and deal with all persons including companies, governments and semi-governments bodies, State Electricity Boards, industrial units for these purposes and to do all such acts, deeds and things and to carry out all necessary activities for the aforesaid purpose.</p> <p>8. To acquire concessions or licenses granted by or to enter into contracts with, the Government of India, any State Government, Municipal, Local Authority or other Statutory bodies, Companies or any other person for the development, erection, installation, establishment, construction, operation and maintenance of solar power plants, wind mill and in this regard to promote, develop, own, acquire, set up, erect, build, install, commission, construct, establish, maintain, improve, manage, operate alter, control, take on hire / lease, carry out and run all necessary Plants, equipments, sub-stations, workshops, generators, transmission facilities, machinery, electrical equipment, accumulators, repair shops, wires, cables, lamps, fittings and apparatus in the capacity of principals, contractors, developers or otherwise and to deal, buy, sell and hire / lease all apparatus and things required for or used in connection with generation, distribution, supply, accumulation of Solar Energy or wind power energy.”</p>
September 25, 2024	EOGM	<p><b><u>Alteration in Capital Clause:</u></b></p> <p>Authorised Share Capital of company was increased from ₹49.00 Lakhs divided into 4,90,000 Equity Shares of ₹ 10/- each to ₹900.00 Lakhs divided into 90,00,000 Equity Shares of ₹ 10/- each.</p>

#### **OUR HOLDING COMPANY**

As on the date of this Draft Red Herring Prospectus, our Company does not have any Holding Company.

#### **OUR SUBSIDIARY COMPANY**

As on the date of this Draft Red Herring Prospectus, our Company does have any Subsidiary Company.

#### **OUR ASSOCIATE COMPANY**

As on the date of this Draft Red Herring Prospectus, our Company does not have any Associate Company.

#### **ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS**

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

#### **SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS**

We do not have any financial or strategic partnerships as on the date of this Draft Red Herring Prospectus.

## **CAPACITY/FACILITY CREATION, LOCATION OF PLANTS**

For details with respect to our capacity/facility creation, location of plants, see “*Our Business*” on page 143 of this Draft Red Herring Prospectus.

## **SHAREHOLDERS AGREEMENT**

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Red Herring Prospectus.

## **LOCK OUTS AND STRIKES**

There have been no lock outs or strikes at any of the location of our Company as on the date of this Draft Red Herring Prospectus.

## **TIME/COST OVERRUN IN SETTING UP PROJECTS**

As on date of this Draft Red Herring Prospectus, there has been no time and cost overruns which have a material adverse effect on the Company’s financial results.

## **LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY OR EXIT IN NEW GEOGRAPHIES**

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the locations, please see chapter titled “*Our Business*” beginning on page 143 this Draft Red Herring Prospectus.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS**

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors except as mentioned in Material development in chapter titled “*Management’s discussion and analysis of financial conditions & results of operations*” beginning on page 261 this Draft Red Herring Prospectus.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

Our Company has not made any defaults re-scheduling of its borrowings as on date of this Draft Red Herring Prospectus.

## **JOINT VENTURES**

As on the date of this Draft Red Herring Prospectus, there are no joint ventures of our Company.

## **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, DIRECTOR, PROMOTER OR ANY OTHER EMPLOYEE**

Neither our Promoters, nor any of the Key Managerial Personnel, Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

## **GUARANTEES GIVEN BY OUR PROMOTERS**

As on the date of this Draft Red Herring Prospectus, the properties of our promoters i.e., Ms. Hina Pankaj Desai and Mr. Pankaj Pruthu Desai have been provided as collateral security. Our promoters and directors have also extended personally guarantee towards loan facilities availed by our Company. For further details, please see chapter titled “*Restated Financial Statements*” and “*Financial Indebtedness*” beginning on pages 220 and 259 of this Draft Red Herring Prospectus.

## **CAPITAL RAISING (DEBT/EQUITY)**

Except as set out in the sections titled “*Capital Structure*” and “*Financial Indebtedness*” beginning on page no 84 and 259 of this Draft Red Herring Prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

## **MATERIAL AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any material agreement / contract as on the date of this Draft Red Herring Prospectus.

## **STRATEGIC PARTNERS**

As of the date of this Draft Red Herring Prospectus, our Company does not have any Strategic Partners.

## **FINANCIAL PARTNERS**

As on the date of this Draft Red Herring Prospectus, our Company does not have any other financial partners.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of the Companies Act, 2013 and our Articles of Association, our Company is required to have not less than 3 (three) Directors and not more than 15 (fifteen) Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 8 (Eight) Directors, of whom 4 (Four) are Executive Directors and 4 (Four) Non-Executive Independent Directors. There is 1 (One) Woman Director on our Board.

The details of the Directors are as mentioned in the below table:

Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Re appointment	Other Directorships
<p><b>Name:</b> Mr. Pankaj Pruthu Desai</p> <p><b>Father's Name:</b> Late Pruthubhai Desai</p> <p><b>Age:</b> 61 years</p> <p><b>Date of Birth:</b> September 20, 1963</p> <p><b>Designation:</b> Chairman &amp; Managing Director</p> <p><b>Residential Address:</b> 39, Amrapali Bunglows, Near Gayatri Mandir, UM Road, Surat, Gujarat-395017.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 (Five) years with effect from August 20, 2024.</p> <p><b>DIN:</b> 03344685</p>	<p>Initially appointed as a Director on January 19, 2011.</p> <p>Resigned w.e.f. August 01, 2023 due to personal and unavoidable reasons.</p> <p>Re-appointed as a Chairman &amp; Managing Director w.e.f. August 20, 2024 for a period of 5 years.</p>	<ul style="list-style-type: none"> <li>• Desai Energy LLP</li> </ul>
<p><b>Name:</b> Mr. Malhar P Desai</p> <p><b>Father's Name:</b> Mr. Pankaj Pruthu Desai</p> <p><b>Age:</b> 31 years</p> <p><b>Date of Birth:</b> June 24, 1993</p> <p><b>Designation:</b> Wholetime Director</p> <p><b>Residential Address:</b> 39, Amarpali Bunglows, Nr Gayatri Mandir, UM Road, Surat, Althan, Gujarat-395017.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 (Five) years with effect from August 20, 2024.</p> <p><b>DIN:</b> 07293599</p>	<p>Originally appointed on the Board as a Director w.e.f. January 16, 2016.</p> <p>Change in Designation as a Wholetime Director w.e.f. August 20, 2024 for a period of 5 years.</p>	<p>NIL</p>

Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Re appointment	Other Directorships
<p><b>Name:</b> Mr. Samarth Pankaj Desai</p> <p><b>Father's Name:</b> Mr. Pankaj Pruthu Desai</p> <p><b>Age:</b> 26 years</p> <p><b>Date of Birth:</b> July 13, 1998</p> <p><b>Designation:</b> Executive Director</p> <p><b>Residential Address:</b> 39, Amrpali Bunglows, Althan Bhatar, Surat, Gujarat-395017.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as an Executive Director with effect from January 03, 2018.</p> <p><b>DIN:</b> 08019677</p>	<p>Appointed on the Board as an Executive Director w.e.f. January 03, 2018.</p>	<p>NIL</p>
<p><b>Name:</b> Mr. Amulya Kumar Jena</p> <p><b>Father's Name:</b> Late Harishchandra Jena</p> <p><b>Age:</b> 49 years</p> <p><b>Date of Birth:</b> February 04,1975</p> <p><b>Designation:</b> Executive Director</p> <p><b>Residential Address:</b> Chandanpur, PO- Ramachandrapur, Rampur Jajapur, Odisha - 755003, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as an Executive Director with effect from May 05, 2022.</p> <p><b>DIN:</b> 09594511</p>	<p>Appointed on the Board as an Executive Director w.e.f. May 05, 2022.</p>	<p>NIL</p>
<p><b>Name:</b> Mr. Anand Jayaramankrishnan</p> <p><b>Father's Name:</b> Mr. Jayaramankrishnan Venkataraman</p> <p><b>Age:</b> 58 years</p> <p><b>Date of Birth:</b> November 24, 1965</p> <p><b>Residential Address:</b> C-52 Venus Apartments, Near Sandesh Press, Bokadev, Ahmadabad City, Ahmadabad, Gujarat-380054, India.</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 (Five) years with effect from August 20, 2024.</p>	<p>Appointed as a Non-Executive Independent Director w.e.f. August 20, 2024 for a period of 5 years.</p>	<p>NIL</p>

Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Re appointment	Other Directorships
<b>DIN:</b> 10718835		
<p><b>Name:</b> Ms. Anita Digbijay Paul</p> <p><b>Father's Name:</b> Mr. Bhupendrabhai BalvantramJariwala</p> <p><b>Age:</b> 36 years</p> <p><b>Date of Birth:</b> November 24, 1965</p> <p><b>Residential Address:</b> 257, Omnagar, Opp Milenium Park, Dindoli, Kharvasa Road, Surat City, Surat, Gujarat-394210, India.</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 (Five) years with effect from August 20, 2024.</p> <p><b>DIN:</b> 10718358</p>	Appointed as a Non-Executive Independent Director w.e.f. August 20, 2024 for a period of 5 years.	NIL
<p><b>Name:</b> Mr. Kaushal Manishkumar Rangoonwala</p> <p><b>Father's Name:</b> Mr. Manishkumar Dhansukhlal Rangoonwala</p> <p><b>Age:</b> 26 years</p> <p><b>Date of Birth:</b> March 06, 1998</p> <p><b>Residential Address:</b> 35, Amrapali Banglows, B/h Gaytri Mandir, New City Light, Althan Surat City, Surat, Gujarat-395017, India.</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 (Five) years with effect from August 20, 2024.</p> <p><b>DIN:</b> 10718780</p>	Appointed as a Non-Executive Independent Director w.e.f. August 20, 2024 for a period of 5 years.	NIL
<p><b>Name:</b> Mr. Mahendra Sabarsinh Gusain</p> <p><b>Father's Name:</b> Late Sabarsinh Shersinh Gusain</p> <p><b>Age:</b> 64 years</p> <p><b>Date of Birth:</b> September 18, 1960</p> <p><b>Residential Address:</b> B-1101, KPM Terra Prime, Big Bazar Lane, Near Lalbhai Contractor Stadium, Vesu, Surat, Surat City, Gujarat- 395007, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 (Five) years with effect from August 20, 2024.</p>	Appointed as a Non-Executive Independent Director w.e.f. August 20, 2024 for a period of 5 years.	<ul style="list-style-type: none"> <li>• Studio Roomoor LLP</li> </ul>

Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Re appointment	Other Directorships
DIN: 10636208		

## BRIEF PROFILE OF OUR DIRECTORS

**Mr. Pankaj Pruthu Desai**, aged 61 years is one of the Promoters, Chairman & Managing Director of our Company. He has completed his Bachelor of Arts (Economics) from The Maharaja Sayajirao University of Baroda in the year 1987. He is one of the founders of our Company. He is currently associated with M/s. Desai Associates as a proprietor and with M/s. Desai Energy LLP as a designated partner and has an combined experience of more than 18 years in executing projects and business plans related to city gas distribution & pipeline industry. He oversees client acquisition, business development and overall management of our Company.

**Mr. Malhar P Desai**, aged 31 years is one of the Promoters and Wholetime Director of our Company. He has completed his bachelor's degree in Business Administration and Management from Mahatma Gandhi University in the year 2014-15. He has been appointed on the Board of the Company w.e.f. January 16, 2016 and has around 8 years of experience in the city gas pipeline and operations activities. He contributes to the Company by looking after the daily operations, tender acquisitions, human resource and finance department of the Company.

**Mr. Samarth Pankaj Desai**, aged 26 years is one of the Promoters and Executive Director of our Company. He has completed his Bachelor of Arts, Bachelor of Laws ('B.A. LLB.') degree from Bharati Vidyapeeth University, Pune, India in the year 2023. He has been appointed on the Board of the Company w.e.f. January 03, 2018 and has around 6 years of combined experience in connectivity of gas pipelines, operations and management activities in our Company. He contributes to the Company by looking after the responsibility of project operation, vendor management & establishment, business development in new verticals in the Company.

**Mr. Amulya Kumar Jena**, aged 49 years is one of the Executive Director of our Company. He has completed his Diploma in Mechanical Engineering from J.R.N Rajasthan Vidyapeeth University in the year 2012. He joined our Company in 2011 as a site engineer, contributing to various city gas distribution projects. His leadership skills became evident during his tenure where he played a key role in executing multiple projects. Due to his performance and contributions over the year, he was appointed as an Executive Director of the Company w.e.f. May 05, 2022. He has over 10 years of experience as site engineer and is responsible for overseeing daily operations on construction sites of the Company.

**Mr. Anand Jayaramankrishnan**, aged 58 years, is the Non-Executive Independent Director of our Company. He has completed his Bachelor's Degree in Arts from the Maharaja Sayajirao University of Baroda in 1987. In his previous role, he has associated with M/s. Rainbow Paper Limited as a Vice President for commercial operations and gained over 6 years of experience in sales, marketing, commercial operations, project execution, contracts procurement, liaising and general administration matters. He is working as a Regional General Manager with M/s. Mahadev Paper Corporation, a partnership firm engaged in trading of Papers and Paperboards since March 04, 2022. His experience in commercial operations and management supports the strategic initiatives and operational functions of our Company.

**Ms. Anita Digbijay Paul**, aged 36 years, is the Non-Executive Independent Director of our Company. She is a fellow Company Secretary member of the Institute of Company Secretaries of India. She has previously held the position of Company Secretary at various organizations, including M/s. Forever Living Trading (India) Private Limited and Indus Gene Expressions Limited. Currently, she is serving as a Company Secretary and Compliance Officer at M/s. Pattech Fitwell Tube Components Limited and has over 7 years of experience in compliances related to Company Laws and SEBI Listing Regulations focusing on board meetings, general meetings, and other corporate governance matters. Her expertise enhances our Company's adherence to regulatory requirements and supports effective governance practices.

**Mr. Kaushal Manishkumar Rangoonwala**, aged 26, is the Non-Executive Independent Director of our Company. He is a Chartered Accountant, having qualified in 2024, and holds a Bachelor's Degree in Commerce from Veer Narmad South Gujarat University, which he completed in 2021. He has previously worked at M/s. Doriwala and Co., Chartered Accountants, where he gained experience in direct and indirect taxation, along with accounting practices and has over 3 years of experience in the field of audits and accounting. In addition to this, he has a proprietorship firm, M/s. K. M. Rangoonwala and Associates, based in Surat, where he provides various accounting and taxation services.

**Mr. Mahendra Sabarsinh Gusain**, aged 64 years, is the Non-Executive Independent Director of our Company. He holds a Bachelor's Degree in Architecture from Maharaja Sayaji Rao University of Baroda in the year 1983 and brings over 5 years of experience in architecture planning. He is currently associated with Studio Roomoor LLP as a designated partner, where he oversees multiple design initiatives and functional architectural solutions.

## CONFIRMATIONS

As on the date of this Draft Red Herring Prospectus:

- Except as disclosed below, none of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.
  - Mr. Pankaj Pruthu Desai and Mr. Malhar P Desai are father and son;
  - Mr. Pankaj Pruthu Desai and Mr. Samarth Pankaj Desai are father and son;
  - Mr. Malhar P Desai and Mr. Samarth Pankaj Desai are brothers;
- There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
- The directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
- None of the Directors are categorized as a wilful defaulter or fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations.
- None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
- None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of the Promoters or Directors has been or is involved as a Promoter or Director 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.
- No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

## DETAILS OF BORROWING POWERS

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on August 20, 2024 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 50 Crores.

## REMUNERATION OF OUR DIRECTORS

The compensation package payable to the Managing Director and/or Whole time Director w.e.f. August 20, 2024 as resolved in the Extra Ordinary General Meeting held on August 20, 2024 is stated hereunder:

### **Mr. Pankaj Pruthu Desai**

The total remuneration payable to Mr. Pankaj Pruthu Desai, Chairman and Managing Director, shall be a sum of up to ₹1.80 Lakhs per month (inclusive of all salary, perquisites, benefits, incentives and allowances).

### **Mr. Malhar P Desai**

The total remuneration payable to Mr. Malhar P Desai, Wholetime Director, shall be a sum of up to ₹1.20 Lakhs per month (inclusive of all salary, perquisites, benefits, incentives and allowances).

#### **Mr. Samarth Pankaj Desai**

The total remuneration payable to Mr. Samarth Pankaj Desai, Executive Director, shall be a sum of up to ₹1.10 Lakhs per month (inclusive of all salary, perquisites, benefits, incentives and allowances).

#### **Mr. Amulya Kumar Jena**

The total remuneration payable to Mr. Amulya Kumar Jena, Executive Director, shall be a sum of up to ₹1.40 Lakhs per month (inclusive of all salary, perquisites, benefits, incentives and allowances).

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, for the time being in force). The Remuneration / Sitting Fees paid to the Directors during the last F.Y. 2023-24 is as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Remuneration paid (₹ in Lakhs)</b>
1.	Mr. Pankaj Pruthu Desai	Chairman & Managing Director	3.95
2.	Mr. Malhar P Desai	Wholetime Director	3.71
3.	Mr. Samarth Pankaj Desai	Executive Director	8.14
4.	Mr. Amulya Kumar Jena	Executive Director	7.02

#### **SITTING FEES**

Pursuant to the resolution passed by the Board of Directors of our Company on September 07, 2024, the Independent Directors of our Company would be entitled to a sitting fee of ₹ 5,000 /- for attending every meeting of Board and its committee thereof.

#### **REMUNERATION PAID OR PAYABLE TO OUR DIRECTORS BY OUR SUBSIDIARIES OR ASSOCIATES**

As on the date of this Draft Red Herring Prospectus, we do not have any subsidiaries or associates.

#### **PAYMENT OF BENEFITS (NON-SALARY RELATED)**

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered and/or sitting fees as Directors.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

There is no contingent or deferred compensation payable to our directors, which does not form part of their remuneration.

#### **BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

#### **SHAREHOLDING OF OUR DIRECTORS**

Our Articles of Association do not require our directors to hold any qualification shares.

The details of the shareholding of our directors as on the date of this Draft Red Herring Prospectus are as follows:

<b>Name</b>	<b>Designation</b>	<b>No. of Equity Shares held</b>	<b>% of pre-Issue paid up capital</b>	<b>% of post Issue paid up capital</b>
Mr. Malhar P Desai	Promoter and Whole Time Director	6,08,832	10.82%	[●]%

Name	Designation	No. of Equity Shares held	% of pre-Issue paid up capital	% of post Issue paid up capital
Mr. Samarth Pankaj Desai	Promoter and Executive Director	6,08,814	10.82%	[●]%
<b>Total</b>		<b>12,17,646</b>	<b>21.64%</b>	[●]%

## INTEREST OF OUR DIRECTORS

All our Independent Directors may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent and reimbursement of expenses payable to them and also to other Non-Executive Director under the Articles of Association. Further our directors may be deemed to be interested to the extent shareholding held by them, their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future.

Our directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company.

Except mentioned in the Restated Financial Statements, no loans have been availed by our directors or the Key Managerial Personnel from our Company. Our directors' may also be deemed to be interested to the extent of guarantees given by them for secured loans availed by our Company.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

For the shareholding of our directors, please refer chapter titled "Our Management" on page 196 of this Draft Red Herring Prospectus.

### *Interest in the property of the Company*

Except as stated in the heading titled "*Properties*" under the chapter titled "*Our Business*", beginning on page 143 of this Draft Red Herring Prospectus, none of our directors have interest in any property acquired or proposed to be acquired by our Company.

### *Interest in Business of the Company*

Except as stated in the chapter titled "*Our Business*" and "*Restated Financial Statements*" beginning on page 143 and 220 respectively and to the extent of shareholding in our Company, if any, our directors do not have any other business interest in our Company.

### *Interest in promotion of the Company*

Except for Mr. Pankaj Pruthi Desai, Mr. Malhar P Desai and Mr. Samarth Pankaj Desai who are the Promoters of our Company, none of the other Directors are interested in the promotion of our Company.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Sr. No.	Name of the Director	Date of Appointment /Cessation/Change in designation	Reason for Change
1.	Mr. Pankaj Pruthu Desai	August 20, 2024	Appointment as a Chairman and Managing Director
2.	Mr. Malhar P Desai	August 20, 2024	Change in designation as a Wholetime Director
3.	Mr. Anand Jayaramankrishnan	August 20, 2024	Appointed as a Non-Executive Independent Director
4.	Ms. Anita Digbijay Paul	August 20, 2024	Appointed as a Non-Executive Independent Director
5.	Mr. Kaushal Manishkumar Rangoonwala	August 20, 2024	Appointed as a Non-Executive Independent Director
6.	Mr. Mahendra Sabarsinh Gusain	August 20, 2024	Appointed as a Non-Executive Independent Director
7.	Ms. Hina Pankaj Desai	July 31, 2024	Resignation by the Director due to pre-occupation
8.	Ms. Indiraben Pruthubhai Desai	June 06, 2024	Resignation by the Director due to health-related issues
9.	Mr. Pankaj Pruthu Desai	August 01, 2023	Resignation by the Director due to personal reasons
10.	Mr. Amulya Kumar Jena	May 05, 2022	Appointed as Executive Director

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI LODR Regulations to the extent applicable to the entity whose shares are listed on Stock Exchange and shall be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including SEBI LODR Regulations, SEBI ICDR Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI LODR Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As of the date of this Draft Red Herring Prospectus, our Company has 8 (Eight) Directors on the Board, 1 (One) as Chairman & Managing Director, 1 (One) as Wholetime Director, 2 (Two) as Executive Director and 4 (Four) as Non-Executive Independent Directors.

## COMMITTEES OF THE BOARD OF DIRECTORS

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI LODR Regulations: (i) Audit Committee, (ii) Stakeholders' Relationship Committee and (iii) Nomination and Remuneration Committee.

### Audit Committee

Our Board constituted Audit Committee pursuant to a resolution dated September 26, 2024 which was in accordance with Section 177 of the Companies Act, 2013.

The audit committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Kaushal Manishkumar Rangoonwala	Non -Executive Independent Director	Chairman
Mr. Anand Jayaramankrishnan	Non -Executive Independent Director	Member
Mr. Malhar P Desai	Wholetime Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:



1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is 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. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv) Significant adjustments made in the financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements;
  - vi) Disclosure of any related party transactions;
  - vii) Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly 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 issue document/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. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
9. 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;
10. Discussion with internal auditors any significant findings and follow up there on;
11. 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;
12. 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;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
14. To review the functioning of the Whistle Blower mechanism;
15. 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;
16. Approval or any subsequent modification of transactions of the Company with related parties;
17. Scrutiny of inter-corporate loans and investments;

18. Valuation of undertakings or assets of the Company, wherever it is necessary;
19. Evaluation of internal financial controls and risk management systems;
20. Review of management discussion and analysis report, management letters issued by the statutory auditors, etc;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

*Explanation (i): The term “related party transactions” shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.*

*Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.*

The Audit Committee enjoys following powers:

- i) To investigate any activity within its terms of reference.
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- i) Management discussion and analysis of financial condition and results of operations;
  - ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv) Internal audit reports relating to internal control weaknesses; and
  - v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  - vi) statement of deviations: (a) half yearly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations. (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.
22. 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 Committee, reasons for disagreement shall have to be incorporated in the minutes of 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 the Company to provide clarifications on matters relating to the audit.

#### ***Meeting of Audit Committee and Relevant Quorum***

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

#### **Stakeholders' Relationship Committee**

Our Board has constituted the Stakeholders' Relationship Committee vide Resolution dated September 26, 2024 pursuant to section 178 of the Companies Act, 2013.

The Stakeholders' Relationship Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Mahendra Sabarsinh Gusain	Non- Executive Independent Director	Chairman
Mr. Samarth Pankaj Desai	Executive Director	Member
Mr. Pankaj Pruthu Desai	Managing Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1. resolving 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. review of measures taken for effective exercise of voting rights by shareholders;
3. review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent;
4. review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
5. Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6. approve, register, refuse to register transfer or transmission of shares and other securities;
7. sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. allotment and listing of shares;
9. authorise affixation of common seal of the Company;
10. issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
11. approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
12. dematerialize or rematerialize the issued shares;
13. ensure proper and timely attendance and redressal of investor queries and grievances;
14. carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time; and
15. further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

#### ***Meeting of Stakeholders' Relationship Committee and Relevant Quorum***

The stakeholders' Relationship committee shall meet once in a year. The quorum for a meeting of the Stakeholder's Relationship Committee shall be two members present.

#### ***Nomination and Remuneration Committee***

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution dated September 26, 2024 pursuant to section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Kaushal Manishkumar Rangoonwala	Non- Executive Independent Director	Chairman
Mr. Mahendra Sabarsinh Gusain	Non- Executive Independent Director	Member
Ms. Anita Digbijay Paul	Non- Executive Independent Director	Member

The Company Secretary of our Company acts as the Secretary to the Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

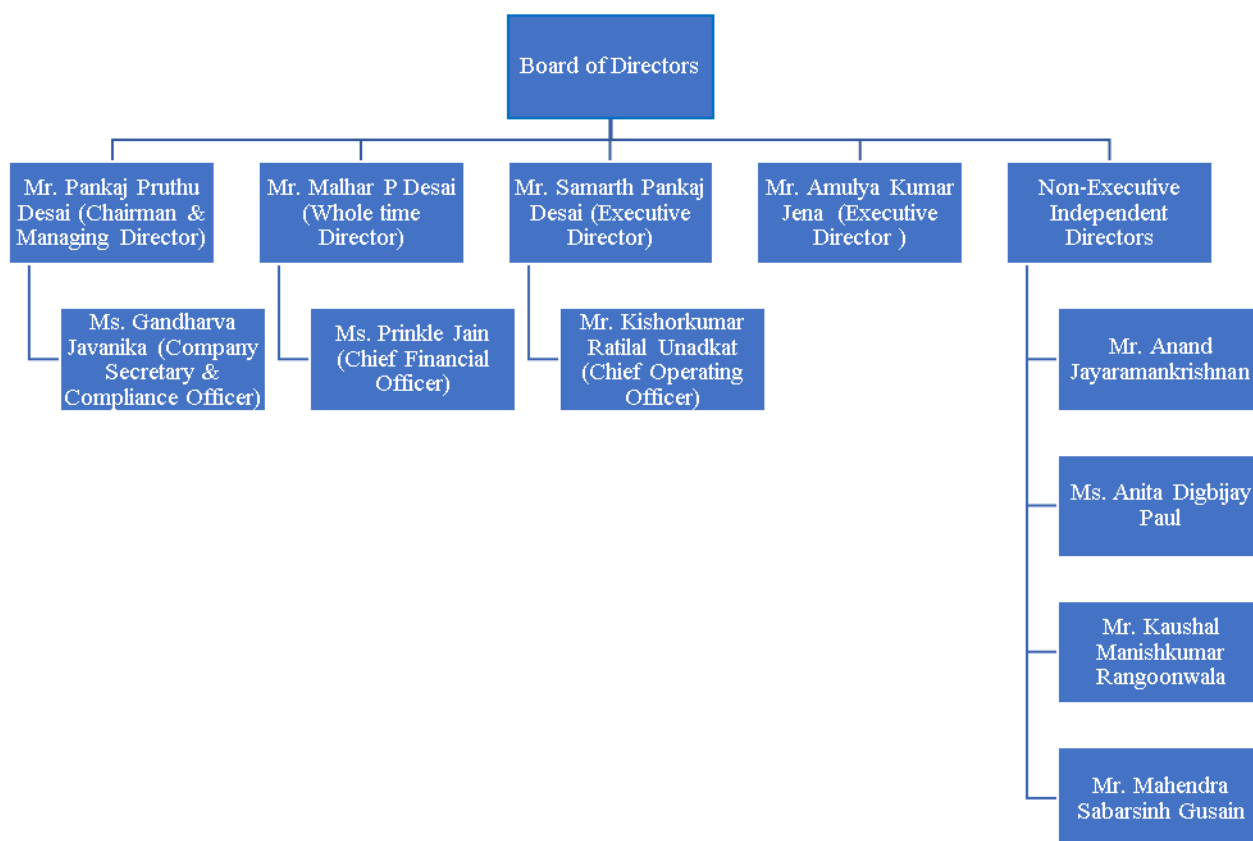
1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - i) use the services of an external agencies, if required;
  - ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii) consider the time commitments of the candidates.
3. formulation of criteria for evaluation of Independent Directors and the Board;
4. devising a policy on Board diversity;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommend to the board, all remuneration, in whatever form, payable to senior management.

***Meeting of Nomination and Remuneration Committee and Relevant Quorum***

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

**POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 9(1) of the SEBI PIT Regulations will be applicable to our Company immediately upon the listing of its Equity Shares on the BSE SME. We shall comply with the requirements of the SEBI PIT Regulations on listing of Equity Shares on stock exchanges. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.



## ORGANIZATIONAL STRUCTURE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel and senior management of our Company:

### *Key Managerial Personnel of our Company:*

**Mr. Pankaj Pruthu Desai**, is the Chairman and Managing Director of our Company. For detailed profile, see para, “Brief Profile of our Directors” on page 196 of this Draft Red Herring Prospectus.

**Mr. Malhar P Desai**, is the Wholetime Director of our Company. For detailed profile, see para, “Brief Profile of our Directors” on page 196 of this Draft Red Herring Prospectus.

**Ms. Prinkle Jain**, aged 31 years, is the Chief Financial Officer of our Company with effect from July 05, 2024. She has completed her Masters of Commerce (M.Com.) from Veer Narmad South Gujarat University and is a Chartered Accountant by qualification. She has an experience of over 2 years in accounts function. In her previous instinct, she has worked with M/s. Shot Amusement Limited as a business analyst in analyzing the financial aspects of the Company, preparing weekly, montly & quaterly MIS for the directors. She is responsible for accounts and finance division of our company. She was not paid any remuneration in the Fiscal Year 2023-24.

**Ms. Gandharva Javanika**, aged 36 years, is the Company Secretary & Compliance Officer of our Company with effect July 05, 2024. She has completed her Masters of Commerce (M.Com.) from Veer Narmad South Gujarat University and is an Associate member of the Institute of Company Secretaries of India. She has experience of 8 years in secretarial, legal and compliance field. She is responsible for the secretarial, legal and compliance division of our Company. She was not paid any remuneration in the Fiscal Year 2023-24.

### *Senior Management Personnel of our Company:*

In addition to the above, the details of our other Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus are set forth below:

**Mr. Mr. Kishorkumar Ratilal Unadkat**, aged 63 years, is the Chief Operating Officer of our company. He has completed his Diploma in Mechanical Engineering from Maharashtra State Board of Technical Education in the year 1982. He has been appointed with our Company since April 10, 2024. He has around more than 5 years of experience in city gas distribution projects and has worked with companies engaged in such industries. He looks after daily operations, ensuring maintenance practices and implementing safety protocols. He was not paid any remuneration in the Fiscal Year 2023-24.

#### **STATUS OF OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

All our Key Managerial Personnel and Senior Management are employees of our Company.

#### **RELATIONSHIP BETWEEN OUR DIRECTORS AND KEY MANAGERIAL PERSONNEL OR/AND SENIOR MANAGEMENT**

Except as stated below, none of our other directors are related to each other or to our Key Managerial Personnel or to our Senior Management:

- Mr. Pankaj Pruthu Desai and Mr. Malhar P Desai are father and son;
- Mr. Pankaj Pruthu Desai and Mr. Samarth Pankaj Desai are father and son;
- Mr. Malhar P Desai and Mr. Samarth Pankaj Desai are brothers;

#### **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

None of our Key Managerial Personnel and Senior Management holds any shares of our Company as on the date of this Draft Red Herring Prospectus except as stated in the below table:

<b>Name</b>	<b>Designation</b>	<b>No. of Equity Shares held</b>	<b>% of pre issue paid up capital</b>	<b>% of post issue paid up capital</b>
Mr. Malhar P Desai	Wholetime Director	6,08,832	10.82%	[●]
Mr. Samarth Pankaj Desai	Executive Director	6,08,814	10.82%	[●]

For further details please see chapter titled “*Capital Structure*” on page 84 of this Draft Red Herring Prospectus.

#### **SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel and senior management have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

None of our Key Management Personnel and Senior Management has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel and Senior Management may also be deemed to be interest to the extent of any dividend payable to them and other distributions in respect of Equity Shares.

#### **ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS**

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and Senior Management have been selected as the Key Managerial Personnel and Senior Management of our Company.

#### **BONUS OR PROFIT-SHARING PLAN OF KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

None of our Key Managerial Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company.

#### **LOANS GIVEN/AVAILED BY DIRECTORS / KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT OF OUR COMPANY**

For details of unsecured loan taken from or given to our Directors/KMPs/ Senior Management and for details of transaction entered by them in the past please refer to “*Restated Financial Statements - Annexure XXVIII – Related Party Disclosures*” on page 220 of this Draft Red Herring Prospectus.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

There is no contingent or deferred compensation payable to our Directors, Key Managerial Personnel and Senior Management, which does not form part of their remuneration.

#### **EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN**

Our Company does not have an employee stock option scheme as on the date of this Draft Red Herring Prospectus.

#### **PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

No non salary related amount or benefit has been paid or given to key managerial personnel and senior management of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

#### **CHANGES IN OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS FROM THE DATE OF FILING OF THIS DRAFT RED HERRING PROSPECTUS**

The changes in our Key Managerial Personnel and Senior Management during the three years immediately preceding the date of filing of this Draft Red Herring Prospectus are set forth below:

<b>Name</b>	<b>Date of Appointment/ Change in designation</b>	<b>Reason for Change</b>
Mr. Kishorkumar Ratilal Unadkat	April 10, 2024	Appointed as Chief Operating Officer
Ms. Gandharva Javanika	July 05, 2024	Appointed as Company Secretary & Compliance Officer
Ms. Prinkle Jain	July 05, 2024	Appointed as Chief Financial Officer
Mr. Pankaj Pruthi Desai	August 20, 2024	Appointed as Chairman and Managing Director
Mr. Malhar P Desai	August 20, 2024	Change in Designation as Wholetime Director

#### **ATTRITION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

The attrition of Key Managerial Personnel and senior management is not high in our Company compared to the industry.

## OUR PROMOTERS AND PROMOTER GROUP



The Promoters of our Company are Ms. Indiraben Pruthubhai Desai, Mr. Pankaj Pruthu Desai, Ms. Hina Pankaj Desai, Mr. Malhar P Desai and Mr. Samarth Pankaj Desai.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 45,00,000 Equity Shares, representing 79.99% of the pre-issued, subscribed and paid-up Equity Share capital of our Company, as set forth below:

Sr. No.	Name of the Promoter	No. of Equity Shares	% of Pre-Issue Capital
1.	Ms. Indiraben Pruthubhai Desai	23,82,354	42.35%
2.	Ms. Hina Pankaj Desai	9,00,000	16.00%
3.	Mr. Malhar P Desai	6,08,832	10.82%
4.	Mr. Samarth Pankaj Desai	6,08,814	10.82%
<b>Total</b>		<b>45,00,000</b>	<b>79.99%</b>

For further details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure" beginning on page 84 of this Draft Red Herring Prospectus.

The details of our Promoters are as under:

<b>(i) Ms. Indiraben Pruthubhai Desai</b>	
	<p><b>Ms. Indiraben Pruthubhai Desai</b>, aged 87 years is one of the Promoters of our Company.</p> <p><b>Educational qualifications:</b> Secondary Teacher's Certificate from Education Department of Gujarat in the year 1963.</p> <p><b>Professional experience, position/posts held in the past, directorships held:</b> She served as a director at our Company from January 09, 2011, to June 07, 2024. During her tenure, she was involved in strategic initiatives and contributed to the growth of our Company. With over 13 years of experience, she focused on project management and managing budgets.</p> <p><b>Date of Birth:</b> June 06, 1937</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> AFSPD0435P</p> <p><b>Residential Address:</b> 39, Amarpali Bunglows, Behind Gayatri Temple, Udhna Magdalla Road, Surat city, Surat, Gujarat-395007.</p>
<b>(ii) Mr. Pankaj Pruthu Desai</b>	
	<p><b>Mr. Pankaj Pruthu Desai</b>, aged 61 years, is one of the Promoters, Chairman and Managing Director of our Company. For his complete profile along with the details of his educational qualifications, professional experience, position/posts held in the past, directorships held, other ventures, special achievements and business and financial activities, please refer the chapter "Our Management" on page 196 of this Draft Red Herring Prospectus.</p> <p><b>Date of Birth:</b> September 20, 1963</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> AAPPD7234E</p> <p><b>Residential Address:</b> 39, Amrapali Bunglows, Near Gayatri Mandir, UM Road, Surat, Gujarat-395017.</p>
<b>(iii) Ms. Hina Pankaj Desai</b>	





**Ms. Hina Pankaj Desai**, aged 54 years, is one of the Promoters of our Company.

**Educational qualifications:** Matriculation Certificate from Laxmiben Dahyabhai High School, Surat.

**Professional experience, position/posts held in the past, directorships held:** She served as a director at our Company from July 18, 2011 to June 21, 2016 and again from September 30, 2022, to July 31, 2024. During her time in this role, she gained over 6 years of experience in the infrastructure sector. Her responsibilities included overseeing project development, facilitating communication among stakeholders including clients, contractors, to ensure project requirements were met and issues were addressed promptly.

**Date of Birth:** July 07, 1970

**Nationality:** Indian

**PAN:** ACUPN2690K

**Residential Address:** 39, Amrpali Bunglowz, Althan Bhatar, New City Light Road, Surat, Althan, Gujarat-395017.

**(iv) Mr. Malhar P Desai**



**Mr. Malhar P Desai**, aged 31 years, is one of the Promoters and Wholetime Director of our Company. For his complete profile along with the details of his educational qualifications, professional experience, position/posts held in the past, directorships held, other ventures, special achievements and business and financial activities, please refer the chapter “*Our Management*” on page 196 of this Draft Red Herring Prospectus.

**Date of Birth:** June 24, 1993

**Nationality:** Indian

**PAN:** BJEPD4209G

**Residential Address:** 39, Amarpali Bungalows, Nr Gayatri Mandir, UM Road, Surat, Althan, Gujarat-395017.

**(v) Mr. Samarth Pankaj Desai**



**Mr. Samarth Pankaj Desai**, aged 26 years, is one of the Promoters and Executive Director of our Company. For his complete profile along with the details of his educational qualifications, professional experience, position/posts held in the past, directorships held, other ventures, special achievements and business and financial activities, please refer the chapter “*Our Management*” on page 196 of this Draft Red Herring Prospectus.

**Date of Birth:** July 13, 1998

**Nationality:** Indian

**PAN:** CUSPD1650D

**Residential Address:** 39, Amrpali Bungalows, Althan Bhatar, Surat, Gujarat-395017

**DECLARATION**

1. Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or fraudulent borrowers by the RBI or any other governmental authority.
2. Our Promoters have not been declared as a fugitive economic offender under the provisions of Section 12 of the Fugitive Economic Offenders Act, 2018.
3. No violations of securities law have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, 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.
4. Except as disclosed below, we confirm that the Permanent Account Number, Bank Account number(s), Passport number, Aadhaar card number and Driving License Number of our Promoters will be submitted to the Stock Exchange at the time of filing of the Draft Red Herring Prospectus with the Stock Exchange:

Our Promoter, Ms. Indiraben Pruthubhai Desai does not hold a driving license.

#### **OTHER VENTURES OF OUR PROMOTERS**

Other than as disclosed in “*Promoter Group*” and “*Our Management*” on pages 211 and 196 respectively, our Promoters are not involved in any other venture.

#### **CHANGE IN MANAGEMENT AND CONTROL OF OUR COMPANY**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

#### **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

Our Promoters have adequate experience in the business activities undertaken by our Company. For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page 196 of this Draft Red Herring Prospectus.

#### **INTEREST OF OUR PROMOTERS**

Our Promoters do not have any interest in our Company except to the extent of compensation payable / paid, commission, perquisites and compensation paid to or their relatives or them and fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of expenses payable to them as the directors of our Company, rents on properties owned by them or their relatives but used by our Company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on pages 84, 220 and 196 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 220 of this Draft Red Herring Prospectus.

#### ***Interest of Promoters in the Promotion of our Company***

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company. For details regarding the shareholding of our Promoters in our Company, see the chapter titled ‘*Capital Structure*’ on page 84 of this Draft Red Herring Prospectus.

### ***Interest of Promoters in the Property of our Company***

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 143 of this Draft Red Herring Prospectus, our Promoters do not have any interest in any land or property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

### **COMMON PURSUITS OF OUR PROMOTERS**

Except for our Promoter Group & Group Company and as disclosed in this Draft Red Herring Prospectus, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

### **BUSINESS INTERESTS**

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of filing of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to it in respect of the contracts, agreements or arrangements which are proposed to be made with it.

### **PAYMENTS OF AMOUNTS OR BENEFITS TO THE PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as stated in the chapter titled “*Restated Financial Statements*” beginning on page 220 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group.

### **MATERIAL GUARANTEES**

Except as stated in the chapter titled “*History and Certain Corporate Matters*” and “*Restated Financial Statements*” beginning on pages 187 and 220 of this Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Further, our Promoters, Mr. Malhar P Desai, Ms. Indiraben Pruthubhai Desai, Ms. Hina Pankaj Desai and Mr. Samarth Pankaj Desai have given personal guarantee for the borrowings availed by our Company. For further details, please see chapter titled “*Financial Indebtedness*” beginning on pages 259 of this Draft Red Herring Prospectus.

### **OUR PROMOTER GROUP**

Apart from our Promoters, as per Regulation 2(1)(pp) of the SEBI ICDR Regulations, the following individuals and entities shall form part of our Promoter Group:

#### ***A. Natural Persons who are Part of the Promoter Group***

As per Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations, the following individuals form part of our Promoter Group:

<b>Name of the Promoters</b>	<b>Name of the Relative</b>	<b>Relationship with the Promoters</b>
<b>Ms. Indiraben Pruthubhai Desai</b>	Late Zinabhai Bhimbhai Desai	Father
	Late Rukshmaniben Zinabhai Desai	Mother
	Late Pruthubhai Desai	Spouse
	Late Gunvantrai Zinabhai Desai	Brother(s)
	Late Babubhai Zinabhai Desai	
	Late Amratbhai Zinabhai Desai	
	Ms. Shobhnaben Pravinchandra Desai	Sister

Name of the Promoters	Name of the Relative	Relationship with the Promoters
	Mr. Pankaj Pruthu Desai	Son
	-	Daughter
	Late Ramanlal Chootubhai Desai	Spouse's Father
	Late Pushpaben Ramanlal Desai	Spouse's Mother
	Late Mukundbhai Ramanlal Desai	Spouse's Brother(s)
	Late Anil Ramanlal Desai	
	-	Spouse's Sister

Name of the Promoters	Name of the Relative	Relationship with the Promoters
<b>Mr. Pankaj Pruthu Desai</b>	Late Pruthubhai Desai	Father
	Ms. Indiraben Pruthubhai Desai	Mother
	Ms. Hina Pankaj Desai	Spouse
	-	Brother
	-	Sister
	Mr. Malhar P Desai	Son
	Mr. Samarth Pankaj Desai	
	-	Daughter
	Late Pramodchandra Naik	Spouse's Father
	Late Manjulaben Naik	Spouse's Mother
	Mr. Nimeshbhai Pramodchandra Naik	Spouse's Brother(s)
	Late Gaurang Naik	
-	Spouse's Sister	

Name of the Promoters	Name of the Relative	Relationship with the Promoters
<b>Ms. Hina Pankaj Desai</b>	Late Pramodchandra Naik	Father
	Late Manjulaben Naik	Mother
	Mr. Pankaj Pruthu Desai	Spouse
	Mr. Nimeshbhai Pramodchandra Naik	Brother(s)
	Late Gaurang Naik	
	-	Sister
	Mr. Malhar P Desai	Son
	Mr. Samarth Pankaj Desai	
	-	Daughter
	Late Pruthubhai Desai	Spouse's Father
	Ms. Indiraben Pruthubhai Desai	Spouse's Mother
	-	Spouse's Brother
-	Spouse's Sister	

Name of the Promoters	Name of the Relative	Relationship with the Promoters
<b>Mr. Malhar P Desai</b>	Mr. Pankaj Pruthu Desai	Father
	Ms. Hina Pankaj Desai	Mother
	Ms. Vidhi Bhartkumar Desai	Spouse
	Mr. Samarth Pankaj Desai	Brother
	-	Sister
	Mr. Swayam Desai <sup>#</sup>	Son
	-	Daughter
	Mr. Bhartkumar Babubhai Desai	Spouse's Father
	Ms. Desai Dipika Bhartbhai	Spouse's Mother
	-	Spouse's Brother
	-	Spouse's Sister

*# As on the date of this Draft Red Herring Prospectus, Mr. Swayam Desai is a minor and is not holding PAN card.*

Name of the Promoters	Name of the Relative	Relationship with the Promoters
<b>Mr. Samarth Pankaj Desai</b>	Mr. Pankaj Pruthu Desai	Father
	Ms. Hina Pankaj Desai	Mother

Name of the Promoters	Name of the Relative	Relationship with the Promoters
	-	Spouse
	Mr. Malhar P Desai	Brother
	-	Sister
	-	Son
	-	Daughter
	-	Spouse's Father
	-	Spouse's Mother
	-	Spouse's Brother
	-	Spouse's Sister

#### **B. Companies / Corporate Entities Forming Part of the Promoter Group**

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity/Company
1.	M/s. Desai Energy LLP
2.	M/s. Desai Associates (Proprietorship Firm of Mr. Pankaj Pruthu Desai)

#### **SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please see the chapter titled “*Capital Structure*” beginning on page 84 of this Draft Red Herring Prospectus.

#### **COMPANIES WITH WHICH THE PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE YEARS**

Except as disclosed below, none of our Promoters have disassociated themselves from any of the companies, firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Promoter	Name of Company or firm	Reason for Disassociation	Date of Disassociation
1.	Ms. Hina Pankaj Desai	M/s. Desai Energy LLP	Due to personal and unavoidable reasons	March 26, 2024

#### **OUTSTANDING LITIGATIONS**

There is no other outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigations and Material Developments*” beginning on pages 36 and 270 respectively of this Draft Red Herring Prospectus.

## OUR GROUP COMPANIES

The definition of ‘Group Companies’ as per the SEBI ICDR Regulations, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated September 26, 2024, our Group Companies includes:

- (i) Those companies with which there were related party transactions, during the period for which Financial Information is disclosed, as covered under the applicable accounting standards.
- (ii) Those companies which are considered material by the Board of Directors.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Board has identified Desai Energy LLP, as our Group Company (“**Group Company**”).

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Company and other information provided on the websites given below does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision.

### DETAILS OF OUR GROUP COMPANY

The details of our Group Company are as provided below:

- **Desai Energy LLP**

**Desai Energy LLP** is incorporated on October 21, 2021. The LLPIN is AAZ-1256 and Registered Office is situated at 1-A/6, D K Park, Nr. Rupali Canal, Bhatar Road, Surat, Gujarat-395017, India and is currently engaged in the business of providing City Gas Distribution (CGD) services.

#### *Financial Performance*

As required under the SEBI ICDR Regulations, Desai Energy LLP’s financial information based on the audited financial statements for Fiscals 2024, 2023 and 2022 is available on the website of our Company at [www.descoinfra.co.in](http://www.descoinfra.co.in)

### LITIGATION

Other than as disclosed in “*Outstanding Litigations and Material Developments*” on page 270 of this Draft Red Herring Prospectus, our Group Company is not party to any litigation which may have material impact on our Company.

### NATURE AND EXTENT OF INTEREST OF GROUP COMPANY

Our Group Company do not have any interest in the promotion of our Company. Our Group Company is not interested in any properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company. Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery.

### COMMON PURSUITS BETWEEN OUR GROUP COMPANY AND OUR COMPANY

Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when it arises. Further, we have not entered into any non-compete or similar arrangement with Group Company or otherwise with our Promoters. Accordingly, there can be no assurance that this Group Company will not in future engage in any competing business activity or acquire interests in competing ventures. In addition, some of our directors are also directors on the boards of our group company. These overlapping directorships could create conflicts of interest between us and the Promoters.

## **RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY**

Other than the transactions disclosed in “Annexure- X- Restated Financial Statements” beginning on page 220 of this Draft Red Herring Prospectus, there are no other business transactions between our Company and the Group Company which are significant to the financial performance of our Company.

## **BUSINESS INTERESTS OR OTHER INTERESTS**

Except as disclosed in “Annexure- X- Restated Financial Statements” beginning on page 220 of this Draft Red Herring Prospectus, our Group Company do not have any business interest in our Company.

## **OTHER CONFIRMATIONS**

None of our Group Company have its equity shares listed on stock exchanges. Further, our Group Company have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company does not have any formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

There are no dividends declared by our Company since incorporation.

For details of risks in relation to our capability to pay dividend, see Risk Factor – ‘47. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*’ on page 36 of this Draft Red Herring Prospectus.



**SECTION VII – FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

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**Independent Auditor’s Examination report on Restated Financial Information of  
DESCO INFRATECH LIMITED  
(FORMERLY KNOWN AS DESCO INFRATECH PRIVATE LIMITED)**

**To,  
The Board of Directors  
DESCO INFRATECH LIMITED  
(FORMERLY KNOWN AS DESCO INFRATECH PRIVATE LIMITED)  
A-703, SWASTIK UNIVERSAL,  
NEXT TO VALENTINE THEATRE,  
DUMAS ROAD, SURAT – 395007, GUJARAT, INDIA**

Dear Sirs,

1. We have examined the attached Restated Financial Information of **DESCO INFRATECH LIMITED (FORMERLY KNOWN AS DESCO INFRATECH PRIVATE LIMITED)** (the “Company” or the “Issuer”), comprising the Restated Statement of Assets and Liabilities as at March 31, 2024, 2023 and 2022, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the year ended March 31, 2024, 2023 and 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on September 26, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus /Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”).
2. 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”).
3. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Ahmedabad and the SME Platform of BSE Limited (BSE SME) in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The Board of Directors’ responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated 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.

4. We have examined such Restated 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 September 16, 2024 in connection with the proposed IPO of equity shares of the Issuer;
  - 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 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.
5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the financial year ended March 31, 2024 and Financial Statements of the Company for the year ended on March 31, 2023 & March 31, 2022 which has been approved by the Board of Directors.
  - a) We have audited the financial statements of the company as at March 31, 2024 prepared by the company in accordance with Indian Accounting Standard (Indian GAAP). We have issued our report dated 31<sup>st</sup> August, 2024 on this Financial Statements which have been approved by the Board of Directors at their meeting held on 31<sup>st</sup> August, 2024.
  - b) Audited Financial statements of the Company as at and for the years ended March 31, 2023 and March 31, 2022 prepared in accordance with the Indian Accounting Standards (Indian GAAP) which have been approved by the Board of Directors at their meeting held on September 18, 2023 and September 19, 2022 respectively.
6. For the purpose of our examination, we have relied on:
  - a) Auditors' Report issued by us dated 31<sup>st</sup> August 2024 for the year ended on March 31, 2024 as referred in paragraph 5 (a) above
  - b) Auditors' Report issued by us dated September 18, 2023 and September 19, 2022 on the financial statements of the company as at and for the year ended on March 31, 2023 and 2022 respectively as referred in Paragraph 5(b) above.
7. Based on our examination and according to the information and explanations given to us, we report that:
  - a) The **“Restated Summary Statement of Assets and Liabilities”** as set out in **Annexure I** to this report, of the Company as at and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are

prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.

- b) The “**Restated Summary Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company as at and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
- c) The “**Restated Summary Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company as at and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
- d) The Restated Summary Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
- e) The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- f) The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;
- g) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- h) There were no qualifications in the Audit Reports issued by the Statutory Auditors as at and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 which would require adjustments in this Restated Financial Statements of the Company;
- i) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure IV** to this report;
- j) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements
- k) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
- l) The Company has not declared dividend during the period.

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 year ended March 31, 2024, March 31, 2023 and March 31, 2022 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus /Prospectus.

<b>Annexure No.</b>	<b>Particulars</b>
<b>I</b>	<b>Restated Statement of Assets &amp; Liabilities</b>
I.1	Restated Statement of Share Capital
I.2	Restated Statement of Reserves & Surpluses
I.3	Restated Statement of Long-Term Borrowings
I.4	Restated Statement of Long-term provisions
I.5	Restated Statement of Deferred Tax Liabilities/(Assets)
I.6	Restated Statement of Short-Term Borrowings
I.7	Restated Statement of Trade Payable
I.8	Restated Statement of Other Current Liabilities
I.9	Restated Statement of Short-Term Provisions
I.10	Restated Statement of Property, Plant & Equipment and Intangible Assets
I.11	Restated Statement of Long-term Loans and Advances
I.12	Restated Statement of Other Non Current Assets
I.13	Restated Statement of Inventories
I.14	Restated Statement of Trade Receivable
I.15	Restated Statement of Cash & Cash Equivalent
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9. We, M/s. K A SANGHAVI AND CO LLP, 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 which is valid till May 31, 2027.
10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim 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 /Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Ahmedabad 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, K A Sanghavi & Co LLP**  
**Chartered Accountants**  
**Firm Reg. No: 120846W/W100289**  
**PRC No: 016959**

**Keyur Ashvinbhai Sanghavi**  
**Designated Partner**  
**ICAI Membership No: 109227**  
**ICAI UDIN: 24109227BKCXRS1304**  
**Place: Surat**  
**Date: 26<sup>TH</sup> SEPTEMBER, 2024**

## DESCO INFRA TECH LIMITED (FORMERLY KNOWN AS DESCO INFRA TECH PRIVATE LIMITED)

CIN : U45201GJ2011PLC063710

## ANNEXURE - I RESTATED BALANCE SHEET AS AT 31/03/2024

in ₹ Lakhs

Particulars	Note	31/03/2024	31/03/2023	31/03/2022
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share capital	I.1	27.78	25.00	25.00
Reserves and surplus	I.2	1171.56	478.65	360.06
Money received against share warrants				
Share application money pending allotment				
		<b>1199.34</b>	<b>503.65</b>	<b>385.06</b>
<b>Non-current liabilities</b>				
Long-term borrowings	I.3	156.90	272.91	132.35
Deferred tax liabilities (Net)	I.5			0.58
Other Long term liabilities				
Long-term provisions	I.4	13.60	17.45	-
		<b>170.49</b>	<b>290.35</b>	<b>132.93</b>
<b>Current liabilities</b>				
Short-term borrowings	I.6	249.47	308.08	176.46
Trade payables	I.7			
Total outstanding dues of micro enterprises and small enterprises		116.45	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		243.24	717.49	281.46
Other current liabilities	I.8	311.11	244.88	196.84
Short-term provisions	I.9	89.84	0.38	-
		<b>1010.12</b>	<b>1270.84</b>	<b>654.76</b>
<b>TOTAL</b>		<b>2379.95</b>	<b>2064.84</b>	<b>1172.75</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Property, Plant and Equipment and Intangible Assets</b>				
Property, Plant and Equipment	I.10	134.06	94.74	93.36
Intangible assets				
Capital work-in-progress				
Intangible assets under development				
		<b>134.06</b>	<b>94.74</b>	<b>93.36</b>
Non-current investments				
Deferred tax assets (net)	I.5	3.11	3.61	-
Long-term loans and advances	I.11	83.07	58.95	-
Other non-current assets	I.12	55.68	35.32	36.46
		<b>275.92</b>	<b>192.62</b>	<b>129.83</b>
<b>Current assets</b>				
Current investments				
Inventories	I.13	83.46	35.20	34.60
Trade receivables	I.14	1476.72	1401.56	711.22
Cash and cash equivalents	I.15	35.16	16.80	19.35
Short-term loans and advances	I.16	70.69	12.65	18.61
Other current assets	I.17	438.00	406.02	259.15
		<b>2104.02</b>	<b>1872.22</b>	<b>1042.93</b>
<b>TOTAL</b>		<b>2379.95</b>	<b>2064.84</b>	<b>1172.75</b>

See accompanying notes to Financial Statements which form an integral part of Financial Statements

In terms of our attached report of even date

For K A SANGHAVI AND CO LLP

CHARTERED ACCOUNTANTS

FRN : 0120846W/W100289

For DESCO INFRA TECH LIMITED (FORMERLY KNOWN AS  
DESCO INFRA TECH PRIVATE LIMITED)KEYUR ASHVINBHAI SANGHAVI  
(PARTNER)

M. NO. : 109227

ICAI UDIN : 24109227BKCXRS1304

Place : SURAT

Date : 26TH SEPTEMBER, 2024

MALHAR PANKAJBHAI DESAI  
(DIRECTOR)  
(DIN : 07293599)SAMARTH PANKAJ DESAI  
(DIRECTOR)  
(DIN : 03323535)PRINKLE SANJAY JAIN  
(CHIEF FINANCIAL OFFICER)JAVANIKA GANDHARVA  
(COMPANY SECRETARY)

**DESCO INFRA TECH LIMITED (FORMERLY KNOWN AS DESCO INFRA TECH PRIVATE LIMITED)**  
**CIN : U45201GJ2011PLC063710**  
**ANNEXURE - II RESTATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2024**

in ₹ Lakhs

Particulars	Note	31/03/2024	31/03/2023	31/03/2022
Revenue from operations	II.1	2939.31	2922.21	1985.19
Other income	II.2	10.17	6.00	6.32
<b>Total Revenue</b>		<b>2949.47</b>	<b>2928.21</b>	<b>1991.51</b>
<b>Expenses</b>				
Cost of materials consumed	II.3	1402.52	1789.07	1057.00
Purchases of Stock-in-Trade				
Changes in inventories of finished goods work-in-progress and Stock-in-Trade				
Employee benefits expense	II.4	758.33	750.99	609.60
Finance costs	II.5	52.43	36.57	37.93
Depreciation and amortization expense	II.6	15.73	14.83	13.82
Other expenses	II.7	222.54	162.83	152.82
<b>Total expenses</b>		<b>2451.56</b>	<b>2754.29</b>	<b>1871.18</b>
Profit before exceptional, extraordinary and prior period items and tax		497.91	173.92	120.33
Exceptional items				
Profit before extraordinary and prior period items and tax		497.91	173.92	120.33
Extraordinary Items				
Profit before prior period items and tax		497.91	173.92	120.33
Prior Period Items				
Profit before tax		497.91	173.92	120.33
Tax expense:	II.8			
Current tax		151.61	55.38	32.91
Deferred tax		0.50	-4.18	4.91
Profit/(loss) for the period from continuing operations		345.80	122.72	82.51
Profit/(loss) from discontinuing operations		-	-	-
Tax expense of discontinuing operations		-	-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-	-
Profit/(loss) for the period		345.80	122.72	82.51
Earnings per equity share:	II.9			
Basic		136.56	49.09	33.00
Diluted		136.56	49.09	33.00

See accompanying notes to Financial Statements which form an integral part of Financial Statements  
In terms of our attached report of even date

For K A SANGHAVI AND CO LLP  
CHARTERED ACCOUNTANTS  
FRN : 0120846W/W100289

For DESCO INFRA TECH LIMITED (FORMERLY KNOWN AS  
DESCO INFRA TECH PRIVATE LIMITED)

KEYUR ASHVINBHAI SANGHAVI  
(PARTNER)  
M. NO. : 109227  
ICAI UDIN : 24109227BKCXRS1304  
**Place** SURAT  
**Date** 26TH SEPTEMBER, 2024

MALHAR PANKAJBHAI DESAI  
(DIRECTOR)  
(DIN : 07293599)

SAMARTH PANKAJ DESAI  
(DIRECTOR)  
(DIN : 03323535)

PRINKLE SANJAY JAIN  
(CHIEF FINANCIAL OFFICER)

JAVANIKA GANDHARVA  
(COMPANY SECRETARY)



## DESCO INFRATECH LIMITED (FORMERLY KNOWN AS DESCO INFRATECH PRIVATE LIMITED)

CIN : U45201GJ2011PLC063710

## ANNEXURE - III RESTATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

In ` Lakhs

PARTICULARS	31ST MARCH 2024	31ST MARCH 2023	31ST MARCH 2022
<b>Cash flow from operating activities</b>			
Profit / (loss) before tax and exceptional items	497.91	173.92	120.33
<b>Adjustments for :</b>			
Depreciation	15.73	14.83	13.82
Donation		-	-2.00
Adjustment of depreciation	-	-	0.00
Interest income	-4.93	-2.88	-1.93
Interest on income tax refund	-	-0.32	
Loss/(profit) on sale / theft of fixed assets	6.20	-0.22	
Interest on loan	38.99	32.03	31.90
loan processing charges	9.84	1.34	2.68
<b>Operating profit / (loss) before working capital change</b>	<b>563.73</b>	<b>218.71</b>	<b>164.80</b>
<b>Movements in working capital</b>			
(Increase) / decrease in inventories	-48.26	-0.60	-1.87
(Increase) / decrease in sundry Debtors	-75.16	-690.34	-18.83
(Increase) / decrease in short term advances and loans	-58.04	5.96	-99.74
(Increase) / decrease in other non-current assets	-20.36	1.14	18.11
(decrease) / increase in long term provisions	-3.85	17.45	
(decrease) / Increase in trade payables	-357.80	436.03	-4.55
(decrease) / increase in other current liabilities	66.23	48.04	36.10
(Increase) / decrease in other current assets	-31.97	-147.02	-15.48
(decrease) / increase in short term provisions	-0.38	0.38	
<b>Cash (used in) / generated from operating activities</b>	<b>34.13</b>	<b>-110.26</b>	<b>78.54</b>
Direct tax paid, net	-61.77	-59.04	-44.44
<b>Net cash (used in) / generated from operating activities ( A )</b>	<b>-27.64</b>	<b>-169.30</b>	<b>34.10</b>
<b>Cash flow from investing activities</b>			
Payment for purchase of fixed asset including capital work in progress	-67.15	-17.99	-21.92
Proceeds from sale of fixed assets	5.91	2.00	0.00
Capital advances	-24.12	-58.95	0.00
Interest income	4.93	2.88	1.93
<b>Net cash (used in) / generated from investing activities ( B )</b>	<b>-80.43</b>	<b>-72.06</b>	<b>-19.99</b>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of share capital	2.78	-	0.00
Addition in Security Premium	347.11	-	
Proceeds / (repayment) from short term borrowings, net	-58.61	131.62	74.76
Proceeds / (repayment) from long term borrowings, net	-116.01	140.56	-65.85
Interest paid on long term and short term borrowing	-38.99	-32.03	-31.90
Loan processing charges paid	-9.84	-1.34	-2.68
<b>Net cash (used in) / generated from financing activities ( C )</b>	<b>126.44</b>	<b>238.81</b>	<b>-25.67</b>
<b>Net Increase / (decrease) in cash and cash equivalent (A+B+C)</b>	<b>18.37</b>	<b>-2.56</b>	<b>-11.56</b>
<b>Cash and cash equivalent at the beginning of the year</b>	<b>16.80</b>	<b>19.35</b>	<b>30.91</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>35.16</b>	<b>16.80</b>	<b>19.35</b>

See accompanying notes to Financial Statements which form an integral part of Financial Statements

In terms of our attached report of even date

For K A SANGHAVI AND CO LLP

FRN : 0120846W/W100289

For DESCO INFRATECH LIMITED (FORMERLY KNOWN AS DESCO INFRATECH PRIVATE LIMITED)

KEYUR ASHVINBHAI SANGHAVI  
(PARTNER)  
M. NO. : 109227  
ICAI UDIN : 24109227BKCXRS1304  
Place : SURAT  
Date : 26TH SEPTEMBER, 2024

MALHAR PANKAJBHAI  
DESAI  
(DIRECTOR)  
(DIN : 07293599)

SAMARTH PANKAJ  
DESAI  
(DIRECTOR)  
(DIN : 03323535)

PRINKLE SANJAY JAIN  
(CHIEF FINANCIAL  
OFFICER)

JAVANIKA  
GANDHARVA  
(COMPANY  
SECRETARY)

**RESTATED NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2024**  
**Annexure I.1 Restated Share Capital**

in ₹ Lakhs.

Particulars	31/03/2024		31/03/2023		31/03/2022	
	Number of Share	% Held	Number of Share	% Held	Number of Share	% Held
<b>Authorised</b>						
490000 (490000) (250000) Equity Shares of Rs. 10/- Par Value	49.00	18.00	49.00	52.94	25.00	25.00
	<b>49.00</b>		<b>49.00</b>		<b>25.00</b>	
<b>Issued</b>						
277778 (250000) (250000) Equity Shares of Rs. 10/- Par Value	27.78	12.18	25.00	-	25.00	-
	<b>27.78</b>		<b>25.00</b>		<b>25.00</b>	
<b>Subscribed</b>						
277778 (250000) (250000) Equity Shares of Rs. 10/- Par Value	27.78	12.18	25.00	-	25.00	-
	<b>27.78</b>		<b>25.00</b>		<b>25.00</b>	
<b>Paidup</b>						
277778 (250000) (250000) Equity Shares of Rs. 10/- Par Value Fully Paidup	27.78	12.18	25.00	-	25.00	-
	<b>27.78</b>		<b>25.00</b>		<b>25.00</b>	

**TERMS / RIGHTS ATTACHED TO EQUITY SHARES**

The Company has only one class of equity shares having a par value of ` 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

In financial year 2022-2023, the company has increased authorised share capital of ` 25.00 Lakhs divided into 250000 share of ` 10/- each. Total authorised share capital at the end of the year is ` 49.00 Lakhs divided into 490000 share of ` 10/- each.

In financial year 2023-2024, the company has issued 27,778 equity shares of ` 10/- each. The total equity share capital at the end of the year was ` 27.78 Lakhs divided into 2,77,778 shares of ` 10/- each fully paidup.

**DETAILS OF CONVERTIBLE SECURITIES :**

The company has not issued any securities convertible into equity or preference shares.

**DETAILS OF SHARES RESERVED FOR EMPLOYEES STOCK OPTIONS :**

The company has not reserved any shares for employee's stock options.

**ADDITIONAL DISCLOSURE FOR EACH CLASS OF SHARE CAPITAL FOR 5 YEARS PRECEDING TO THE DATE OF BALANCE SHEET :**

During last 5 years the company has not issued any shares pursuant to contracts without payment being received in cash for any class of share capital. Further during last 5 years preceding the date of Balance sheet, the company has not issued any bonus shares nor bought back any shares under any class of share capital.

**Holding More Than 5%**

Particulars	31/03/2024		31/03/2023		31/03/2022	
	Number of Share	% Held	Number of Share	% Held	Number of Share	% Held
HINA DESAI	50000	18.00	-	-	-	-
INDIRABEN DESAI	132353	47.65	132353	52.94	132353	52.94
MALHAR DESAI	33824	12.18	-	-	-	-
SAMARTH DESAI	33823	12.18	-	-	-	-
PANKAJ DESAI	-	-	117647	47.06	117647	47.06

**SHARE HOLDERS HOLDING MORE THAN 5 % EQUITY SHARES IN THE COMPANY**

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

The company has no holding company.

**Reconciliation**

Particulars	31/03/2024		31/03/2023		31/03/2022	
	Number of Share	Amount	Number of Share	Amount	Number of Share	Amount
Number of shares at the beginning	250000	25.00	250000	25.00	250000	25.00
<b>Add : Issue</b>						
SHARES ISSUED	27778	2.78	-	-	-	-
Less : Bought Back	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Number of shares at the end</b>	<b>277778</b>	<b>27.78</b>	<b>250000</b>	<b>25.00</b>	<b>250000</b>	<b>25.00</b>

**Shareholding of Promoters**

Shares held by promoters as at 31/03/2024

EquityShares SHARES of Rs. 10

Shares held by promoter at the end of year				% change during
SN	Promoters Name	No. of Shares	% of total shares	
1	INDIRABEN DESAI	132353	47.65	-5.29

Shares held by promoters as at 31/03/2023

EquityShares SHARES of Rs. 10

Shares held by promoter at the end of year				% change during
SN	Promoters Name	No. of Shares	% of total shares	
1	INDIRABEN DESAI	132353	52.94	0
2	PANKAJ DESAI	117647	47.06	0

Shares held by promoters as at 31/03/2022

EquityShares SHARES of Rs. 10

Shares held by promoter at the end of year				% change during
SN	Promoters Name	No. of Shares	% of total shares	
1	INDIRABEN DESAI	132353	52.94	0
2	PANKAJ DESAI	117647	47.06	0

#### Annexure I.2 Restated Reserve and Surplus

in ₹ Lakhs.

Particulars	31/03/2024	31/03/2023	31/03/2022
Opening	-	-	-
Additions	347.11	-	-
Deduction	-	-	-
	<b>347.11</b>	<b>0.00</b>	<b>0.00</b>
Profit and Loss Opening	478.65	360.06	262.55
Amount Transferred From Statement of P&L	345.80	122.72	82.51
Amount Transferred From Sundries			
Others	-	-4.14	-
	<b>0.00</b>	<b>-4.14</b>	<b>0.00</b>
Appropriation and Allocation			
Others	-	-	-15.00
	<b>0.00</b>	<b>0.00</b>	<b>-15.00</b>
	<b>824.45</b>	<b>478.65</b>	<b>360.06</b>
	<b>1171.56</b>	<b>478.65</b>	<b>360.06</b>

#### SECURITIES PREMIUM

In financial year 2023-2024, the company has issued 27778 shares of Rs 10 each, fully paid up at premium.

The details of premium in different tranche are as follows

DATE OF ALLOTMENT	NO OF SHARES ISSUED	FACE VALUE	PREMIUM PER SHARE
02/12/2023	7192	10	590
16/02/2024	4074	10	1249
23/03/2024	16512	10	1537

#### Annexure I.3 Restated Long Term Borrowings

in ₹ Lakhs.

Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Term Loan</b>			
<b>Banks</b>			
<b>Secured</b>			
YES BANK (2610001)	-	1.52	5.17
UBI LOAN - 0094	4.05	5.42	6.52
HDFC BANK LOAN - 4214	3.02	4.47	-
AMCO Bank Ltd. (Hyryder) - 066032351000038	11.52	-	-
AMCO Bank Ltd. (Hyryder 2) 066032351000049	11.88	-	-
Kotak Mahindra Bank Ltd. (CSG-154520383)	29.18	-	-
UBI LOAN - 0092	-	9.14	11.19
<b>Unsecured</b>			
ICICI BANK LOAN - 2178	19.19	41.65	-
Axis Bank Ltd. (BPR004709788982)	32.84	-	-
DEUTSCHE BANK AG	-	-	8.10
IDFC FIRST BANK	-	-	8.34
RBL BANK LIMITED SURAT	-	-	11.48
<b>Financial Institution</b>			
<b>Secured</b>			
SUNDARAM FINANCE LTD - 0275	-	1.71	3.42
Sundaram Finance (Tata Yodha)HR-T007400489	18.79	-	-
<b>Unsecured</b>			
ADITYA BIRLA FINANCE LOAN - 0421	-	-	6.56
TATA CAPITAL FINANCIAL LOAN - 6943	-	-	8.22

Loan and Advances From Related Parties			
<b>Unsecured</b>			
<b>Director</b>			
PANKAJ DESAI	-	174.87	-
MALHAR P DESAI	-	15.33	15.33
HINA DESAI	7.70	-	-
INDIRA P. DESAI	18.73	18.81	16.31
DESAI ASSOCIATES			31.72
	<b>156.90</b>	<b>272.91</b>	<b>132.35</b>

in ₹ Lakhs.

Loan Details	Principal Loan	Rate Of Interest	Tenure (Months)	Monthly Instalme	Security Offered
ADITYA BIRLA-BUSINESS LOAN	20	16.25%	36	0.71	Unsecured loan
DEUTCHE BANK-BUSINESS LOAN	25	17.00%	36	0.89	Unsecured loan
IDFC-BUSINESS LOAN	25.5	16.00%	36	0.9	Unsecured loan
RBL BANK-BUSINESS LOAN	35.08	16.25%	36	1.24	Unsecured loan
TATA CAPITAL-BUSINESS LOAN	25	16.50%	36	0.89	Unsecured loan
UBI TATA HARRIER-VEHICLE LOAN	15.5	7.40%	84	0.24	Hypothecation charge on the specified vehicle
UBI ECO-SPORT-VEHICLE LOAN	8.9	7.40%	84	0.14	Hypothecation charge on the specified vehicle
ICICI BANK-BUSINESS LOAN	65	15.00%	36	2.27	Unsecured loan
AXIS-BANK-BUSINESS LOAN	60	14.00%	36	2.05	Unsecured loan
KOTAK -BUSINESS LOAN	50	15.10%	36	1.74	Personal Guarantee of Malhar Desai, Samarth Desai, Indira Desai and Hina Desai
HDFC-ECO-COMMERCIAL VEHICLE LOAN	6	9.00%	48	0.15	Hypothecation charge on the specified vehicle
SUNDARAM FINANCE	5	8.85%	35	0.16	Hypothecation charge on the specified vehicle
SUNDARAM FINANCE	27	12.45%	35	0.93	Hypothecation charge on the specified vehicle
YES BANK TERM LOAN	11.5	9.25%	35	0.31	Second charge on all existing security in favor of National Credit guarantee Trustee
AMCO-HYRYDER-	14	8.50%	84	0.22	Hypothecation charge on the specified vehicle
AMCO-HYRYDER	13.5	8.25%	84	0.21	Hypothecation charge on the specified vehicle
ICICI BANK LTD COMMERCIAL LOAN-3775	5.82	11.31%	36	0.19	Hypothecation charge on the specified vehicle
ICICI BANK LTD COMMERCIAL LOAN-3785	5.82	11.31%	36	0.19	Hypothecation charge on the specified vehicle
ICICI BANK LTD COMMERCIAL LOAN-3813	5.82	11.31%	36	0.19	Hypothecation charge on the specified vehicle

#### Annexure I.4 Restated Long Term Provisions

in ₹ Lakhs.

Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Employee Benefits</b>			
Gratuity	13.60	17.45	-
	<b>13.60</b>	<b>17.45</b>	<b>0.00</b>

#### Annexure I.6 Restated Short Term Borrowings

in ₹ Lakhs

Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Loans repayable on demand</b>			
<b>Banks</b>			
<b>Secured</b>			
YES BANK LTD. OD (0983)	175.72	235.77	117.56
<b>Current maturities of long term borrowings</b>			
Axis Bank Ltd. (BPR004709788982)	18.57	-	-
Kotak Mahindra Bank Ltd. (CSG-154520383)	15.17	-	-
AMCO Bank Ltd. (Hyryder 2) 066032351000049	1.50	-	-
AMCO Bank Ltd. (Hyryder) - 066032351000038	1.61	-	-
HDFC BANK LOAN - 4214	1.45	1.32	-
ICICI BANK LOAN - 2178	22.46	19.35	-
SUNDARAM FINANCE LTD - 0275	1.71	1.71	1.58
Sundaram Finance (Tata Yodha)HR-T007400489	8.21	-	-
UBI LOAN - 0094	1.54	1.19	1.09

YES BANK (2610001)	1.53	3.65	3.65
IDFC FIRST BANK	-	8.34	8.66
RBL BANK LIMITED SURAT	-	11.48	11.91
UBI LOAN - 0092	-	2.09	1.81
DEUTSCHE BANK AG	-	8.41	8.56
TATA CAPITAL FINANCIAL LOAN - 6943	-	8.21	8.49
ADITYA BIRLA FINANCE LOAN - 0421	-	6.56	6.82
ICICI BANK LTD COMMERCIAL LOAN-3813	-	-	2.11
ICICI BANK LTD COMMERCIAL LOAN-3785	-	-	2.11
ICICI BANK LTD COMMERCIAL LOAN-3775	-	-	2.11
	<b>249.47</b>	<b>308.08</b>	<b>176.46</b>

in ₹ Lakhs.

Loan Details	Sanctioned Amount	Rate of Interest	Security Offered
YES BANK Limited (Cash Credit)	197.00	9.25%	1. Exclusive Hypothecation Charge to be obtained on Current Assets (Both Present and Future) of the Borrower. 2. Equitable / Registered Mortgage on Property situated at: i) Plot No. 110 & 111, R.S. No. 226/1, 5/B & 226/8, Block No. 231, Village-Sachin, Sub. Dist. Choryasi, Dist. Surat, Surat, Gujarat, 394210 ii) Flat No. A-402, 4th Floor, Oasis Palms Laurel Building, Near Lotus Aura, Opp. Mirch Masala, Sama Savli, Sama-Savali Road, Vemali, Vadodara, Gujarat, 390024 3. Unconditional and Irrevocable Personal Guarantee of below guarantors till the tenure of the facility: a) Malhar P Desai b) Hina Pramodchandra Naik c) Pankaj Pruthu Desai d) Indiraben Pruthubhai Desai e) Samarth Pankaj Desai f) Amulyakumar Jena 4. Life Insurance Policies 5. CGTMSE Guarantee applicable till the tenure of the facility

#### Annexure I.7 Restated Trade Payables

as at 31/03/2024

in ₹ Lakhs

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	90.95	25.50	-	-	-	116.45
(ii) Others	224.53	12.83	1.65	4.22	-	243.24
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

as at 31/03/2023

in ₹ Lakhs

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-
(ii) Others	682.04	30.15	-	5.30	-	717.49
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

as at 31/03/2022

in ₹ Lakhs

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-
(ii) Others	269.30	7.83	-	4.33	-	281.46
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

#### TRADE PAYABLES :

##### SUNDRY CREDITORS COVERED UNDER MSMED ACT, 2006 :

Trade Payables covered under MSMED Act, 2006 are those creditors who are outstanding at the balance sheet date. Out of which creditors due for more than 45 days as on the balance sheet date are 51.89 Lakhs (NIL) (NIL). The company has provided interest of Rs. 0.43 Lakhs (NIL) (NIL) on the same as per the provisions of MSMED Act, 2006.

Amount due to Micro, Small and Medium Enterprises as on 31st March, 2024 (31st March, 2023) (31st March, 2022) are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :-

in ₹ Lakhs.

Particulars	31/03/24	31/03/23	31/03/22
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	116.45	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-

Interest paid/reversed during the year	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Interest accrued and remaining unpaid	0.43	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

#### Annexure I.8 Restated Other Current Liabilities

in ₹ Lakhs

Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Other payables</b>			
<b>Employee Related</b>			
<b>Accrued Salary Payable</b>			
SALARY PAYABLE	54.13	58.81	55.11
<b>Accrued Payroll Liabilities</b>			
ESI PAYABLE	2.52	1.30	1.21
PF PAYABLE	12.18	7.91	6.46
PT PAYABLE	2.61	2.61	2.61
<b>Tax Payable</b>			
<b>TDS</b>			
TDS PAYABLE	23.80	22.38	14.83
<b>Other</b>			
GST PAYABLE	164.91	104.81	97.65
<b>Other Current Liabilities</b>			
DIRECTOR REMUNARATION PAYABLE	44.14	15.22	7.73
MN PATIL PRIVATE LIMITED (DEPOSIT)	1.20	-	-
NEVEN TEXTILE ENGINEERS	-	10.66	10.66
PRERAK RAJNIKANT DESAI	-	14.94	-
RENT PAYABLE	0.15	-	-
WORLDAMS PRIVATE LTD. (DEPOSIT)	0.02	0.02	-
YES BANK CREDIT CARD 4017	2.73	2.88	0.09
ADVANCE FROM CUSTOMERS	2.30	3.34	0.49
INTEREST ON MSME	0.43	0.00	0.00
	<b>311.11</b>	<b>244.88</b>	<b>196.84</b>

#### Annexure I.9 Restated Short Term Provisions

in ₹ Lakhs

Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Employee Benefits</b>			
Gratuity	-	0.38	-
<b>Tax Provision</b>			
<b>Current Tax</b>			
INCOME TAX PAYABLE	89.84	-	-
	<b>89.84</b>	<b>0.38</b>	<b>0.00</b>

#### Annexure I.10 Restated Tangible assets

in ₹ Lakhs

Particulars	Plant and Machinery	Furniture and Fixtures	Computer Equipments	Office Equipments	Vehicles	Total
<b>A. Gross cost amount</b>						
As at 01/04/2021	20.77	15.83	4.75	4.60	74.94	120.88
Addition	6.78	7.16	0.54	2.76	4.67	21.92
Disposals	-	-	-	-	-	0.00
<b>As at 31/03/2022</b>	<b>27.55</b>	<b>23.00</b>	<b>5.29</b>	<b>7.36</b>	<b>79.61</b>	<b>142.81</b>
Addition	3.19	0.22	3.88	2.03	8.68	17.99
Disposals	-	-	-	-	11.46	11.46
<b>As at 31/03/2023</b>	<b>30.74</b>	<b>23.22</b>	<b>9.17</b>	<b>9.39</b>	<b>76.83</b>	<b>149.34</b>
Addition	1.55	3.12	2.34	0.00	60.14	67.15
Disposals	-	-	-	-	18.85	18.85
<b>As at 31/03/2024</b>	<b>32.29</b>	<b>26.34</b>	<b>11.51</b>	<b>9.39</b>	<b>118.12</b>	<b>197.64</b>
<b>B. Accumulated depreciation</b>						
As at 01/04/2021	1.73	6.31	2.44	1.87	23.27	35.62
Addition	1.55	1.82	1.02	0.97	8.46	13.82
Disposals	-	-	-	-	-	0.00
<b>As at 31/03/2022</b>	<b>3.27</b>	<b>8.14</b>	<b>3.46</b>	<b>2.85</b>	<b>31.73</b>	<b>49.44</b>
Addition	1.85	1.57	1.79	1.30	8.33	14.83
Disposals	-	-	-	-	9.67	9.67
<b>As at 31/03/2023</b>	<b>5.12</b>	<b>9.70</b>	<b>5.24</b>	<b>4.15</b>	<b>30.38</b>	<b>54.61</b>
Addition	2.04	1.65	2.12	1.45	8.46	15.73
Disposals	-	-	-	-	6.74	6.74
<b>As at 31/03/2024</b>	<b>7.16</b>	<b>11.36</b>	<b>7.36</b>	<b>5.61</b>	<b>32.10</b>	<b>63.59</b>

Net carrying value							
As at 31 March 2022	24.28	14.86	1.83	4.51	47.88	93.36	
As at 31 March 2023	25.61	13.52	3.93	5.24	46.45	94.74	
As at 31 March 2024	25.13	14.98	4.15	3.78	86.02	134.06	

#### PROPERTY, PLANT AND EQUIPMENT :

- a) There is no intent to sale any of the Property, Plant and Equipment held by the company and hence there is no Property, Plant and Equipment held for disposal
- b) All the Property, Plant and Equipment purchased during the year were put to use before 31st March 2024
- c) There is no lease hold Property, Plant and Equipment held by the company during the year under reporting and in the preceding year.
- d) During the year, there is no change in amount of the Property, Plant and Equipment due to business combination, revaluation and other
- e) During the year, the Company has not hold any Benami property as defined under the Benami Transactions (prohibition) Act, 1988.
- f) The Company has changed the method of depreciation from WDV to SLM and the cumulative effect of deprcaition of Rs. 17.00 lakhs has been adjusted in the profit and loss reserve account.

#### Annexure I.5 Restated Deferred Taxes

in ₹ Lakhs.			
Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Deferred Tax Assets</b>			
Employee Benefits	3.42	4.49	-
Other	0.00	-	-
	<b>3.42</b>	<b>4.49</b>	<b>0.00</b>
<b>Deferred Tax Liabilities</b>			
Depreciation	0.31	0.88	0.58
Other	-	-	-
	<b>0.31</b>	<b>0.88</b>	<b>0.58</b>

#### Annexure I.11 Restated Long-term loans and advances

in ₹ Lakhs			
Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Capital Advances</b>			
<b>Unsecured, considered good</b>			
FAIRFOX ITINFRA PVT LTD (EON) OFFICE PUR ADV	83.07	58.95	-
	<b>83.07</b>	<b>58.95</b>	<b>0.00</b>

#### Annexure I.12 Restated Other non-current assets

in ₹ Lakhs			
Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Security Deposits</b>			
<b>Unsecured, considered good</b>			
RELIANCE JIO INFOCOMM LTD (SECURITY DEPOSIT)	0.01	0.01	0.01
RENT DEPOSIT	3.43	2.29	2.40
<b>Others</b>			
NATIONAL SAVINGS CERTIFICATE	0.22	0.22	0.22
SARVODAY SAROVAR NARMADA NIGAM LIMITED FD	3.80	0.00	-
YES BANK FD-001140400118081	48.22	32.81	33.83
	<b>55.68</b>	<b>35.32</b>	<b>36.46</b>

#### Annexure I.13 Restated Inventories

in ₹ Lakhs			
Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Raw Material</b>			
CLOSING STOCK	83.46	35.20	34.60
	<b>83.46</b>	<b>35.20</b>	<b>34.60</b>

#### Annexure I.14 Restated Trade receivables

in ₹ Lakhs			
Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Trade Receivable</b>			
<b>Unsecured considered good</b>			
<b>Within Six Months</b>			
SUNDRY DEBTORS	1476.72	1401.56	615.09
<b>Exceeding Six Months</b>			
SUNDRY DEBTORS			96.13
	<b>1476.72</b>	<b>1401.56</b>	<b>711.22</b>

**Ageing Schedule as at 31/03/2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1315.33	-	8.93	-	152.46	1476.72
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

**Ageing Schedule as at 31/03/2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1122.77	148.93	10.37	83.49	-	1365.55
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

**Ageing Schedule as at 31/03/2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	615.09	45.60	28.96	-	21.57	711.22
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

**TRADE RECEIVABLES:**

Sundry debtors are trade receivables which are due in respect of goods sold in the normal course of the business. The debtors outstanding for more than 6 months are those debtors which are outstanding for more than 6 months from the date they are due for payment but all of them are good as reviewed by the management and hence no provisions for doubtful debts has been made.

**Annexure I.15 Restated Cash and cash equivalents**

in ₹ Lakhs

Particulars	31/03/2024	31/03/2023	31/03/2022
Cash in Hand	33.11	16.55	19.29
<b>Balances With Banks</b>			
<b>Balance With Scheduled Banks</b>			
<b>Current Account</b>			
AMCO BANK - 182	-0.08	-	-
ICICI BANK CA - 778605000050	0.02	0.12	-
UNION BANK OF INDIA (610605010000140)	0.01	0.02	0.05
YES BANK - 656	0.11	-	-
YES BANK - 852	0.10	-	-
YES BANK - 862	0.10	-	-
YES BANK LTD CA (084163300005600)	1.79	0.11	0.01
DEVELOPMENT CREDIT BANK	-	-	0.01
	<b>35.16</b>	<b>16.80</b>	<b>19.35</b>

**Annexure I.16 Restated Short-term loans and advances**

in ₹ Lakhs

Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Loans and advances to others</b>			
<b>Unsecured, considered good</b>			
SALARY ADVANCE	0.10	0.80	0.80
ADVANCE TO SUPPLIER	70.59	11.85	17.81
	<b>70.69</b>	<b>12.65</b>	<b>18.61</b>

**Annexure I.17 Restated Other current assets**

in ₹ Lakhs

Particulars	31/03/2024	31/03/2023	31/03/2022
GST INTEREST RECEIVABLE	-	0.06	0.15
GST RECEIVABLE	0.80	26.78	18.38
GST TDS 2%	-	3.28	2.77



ICICI BANK LTD - COMMERCIAL LOAN 3775	-	0.05	-
ICICI BANK LTD - COMMERCIAL LOAN 3785	-	0.05	-
ICICI BANK LTD - COMMERCIAL LOAN 3813	-	0.05	-
INCOME TAX REFUND RECEIVABLE	1.39	13.28	9.62
TDS RECOVERABLE FROM NBFC	1.26	1.12	1.26
SERVICE TAX RECEIVABLE	-	-	4.14
AAVANTIKA GAS LTD (WIP)	-	19.44	19.44
G.S.P.C.	-	-	3.67
GAIL GAS LTD (WIP)	-	42.91	42.91
PREPAID EXPENSE	1.05	-	-
RETENTION MONEY	432.82	299.00	156.71
SABARMATI GAS LTD. (TENDER)	-	-	0.10
TORRENT POWER LTD.	0.10	-	-
GST PAID FOR APPEAL	0.59	-	-
	<b>438.00</b>	<b>406.02</b>	<b>259.15</b>

#### Annexure II.1 Restated Revenue from operations

Particulars	in ₹ Lakhs		
	31/03/2024	31/03/2023	31/03/2022
<b>Sale of Service</b>			
CITY GAS DISTRIBUTION NETWORK PROJECTS	2854.17	2922.21	1985.19
POWER SEGMENT PROJECTS	85.14		
	<b>2939.31</b>	<b>2922.21</b>	<b>1985.19</b>

#### Annexure II.2 Restated Other income

Particulars	in ₹ Lakhs		
	31/03/2024	31/03/2023	31/03/2022
<b>Interest</b>			
BANK INTEREST	4.93	2.88	1.93
INTEREST ON IT REFUND	-	0.32	0.08
<b>Profit(Loss) on Redemption / Sale of Investment &amp; Property, Plant and Equipment (Net)</b>			
Profit on sale of tangible assets	-	0.22	-
<b>Miscellaneous</b>			
DISCOUNT RECEIVED	0.08	0.58	0.51
OTHER INCOME	-	2.00	0.00
SUNDRY BALANCE WRITTEN OFF	5.16	-	3.80
	<b>10.17</b>	<b>6.00</b>	<b>6.32</b>

#### Annexure II.3 Restated Cost of materials consumed

Particulars	in ₹ Lakhs		
	31/03/2024	31/03/2023	31/03/2022
<b>Raw Material</b>			
Opening	35.20	34.60	32.73
Purchase	265.23	203.77	142.15
Direct cost	1185.56	1585.90	916.72
Closing	83.46	35.20	34.60
	<b>1402.52</b>	<b>1789.07</b>	<b>1057.00</b>
	<b>1402.52</b>	<b>1789.07</b>	<b>1057.00</b>

#### Details of Raw Material

Particulars	in ₹ Lakhs		
	31/03/2024	31/03/2023	31/03/2022
RAW MATERIAL	1402.52	1789.07	1057.00
	<b>1402.52</b>	<b>1789.07</b>	<b>1057.00</b>

#### Annexure II.4 Restated Employee benefits expense

Particulars	in ₹ Lakhs		
	31/03/2024	31/03/2023	31/03/2022
<b>Salary, Wages &amp; Bonus</b>			
SALARY EXPENSE	684.28	665.56	556.98
<b>Contribution to Gratuity</b>			
GRATUITY EXPENSES	-4.23	17.82	-
<b>Contribution to Provident Fund</b>			
PF ADMINISTRATION CHARGES	2.97	2.05	1.78
PF CONTRIBUTION EXPENSE	51.70	43.12	35.06
<b>Staff Welfare Expenses</b>			
STAFF WELFARE EXPENSE	-	1.27	-
<b>Other Employee Related Expenses</b>			
ESIC CONTRIBUTION EXPENSE	13.67	12.28	10.62
LABOUR CESS	9.93	8.89	5.16
	<b>758.33</b>	<b>750.99</b>	<b>609.60</b>

## Annexure II.5 Restated Finance costs

in ₹ Lakhs

Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Interest Expenses</b>			
<b>Interest Expenses</b>			
INTEREST ON BUSINESS LOAN	18.10	14.17	18.36
INTEREST ON CAR LOAN	3.04	2.48	2.73
INTEREST ON OD	12.33	7.76	6.09
INTEREST ON TERM LOAN	0.35	0.68	0.40
<b>Bank Charges</b>			
BANK CHARGES	3.60	3.19	3.35
<b>Finance Charges</b>			
<b>Gurantee Charges</b>			
BANK GUARANTEE CHARGES	5.17	6.94	4.32
<b>Other Finance Charges</b>			
CREDIT CARD CHARGES	0.01	-	-
LOAN PROCESSING CHARGES	9.84	1.34	2.68
	<b>52.43</b>	<b>36.57</b>	<b>37.93</b>

## Annexure II.6 Restated Depreciation and amortisation expense

in ₹ Lakhs

Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Depreciation &amp; Amortisation</b>			
Depreciation Tangible Assets	15.73	14.83	13.82
	<b>15.73</b>	<b>14.83</b>	<b>13.82</b>

## Annexure II.7 Restated Other expenses

in ₹ Lakhs

Particulars	31/03/2024	31/03/2023	31/03/2022
<b>Manufacturing Service Costs Expenses</b>			
<b>Power and Fuel</b>			
FUEL EXPENSE	26.84	17.13	17.12
<b>Frieght And Forwarding Charges</b>			
<b>Lease Rentals</b>			
MACHINERY HIRE CHARGES	2.25	0.09	0.77
<b>Administrative and General Expenses</b>			
<b>Telephone Postage</b>			
POSTAGE & COURIER EXPENSE	0.00	0.01	0.70
TELEPHONE & MOBILE PHONE EXPENSE	1.70	0.75	1.12
<b>Printing Stationery</b>			
STATIONARY & PRINTING EXPENSE	5.87	3.07	1.79
<b>Rent Rates And taxes</b>			
RENT EXPENSE	51.92	52.71	56.40
<b>Managerial Remuneration</b>			
DIRECTOR REMUNERATION	59.92	18.86	10.26
<b>Repairs Maintenance Expenses</b>			
REPAIRS & MAINTAINANCE	13.15	10.28	7.72
<b>Electricity Expenses</b>			
ELECTRICITY EXPENSE	2.21	2.09	1.53
<b>Travelling Conveyance</b>			
CONVAYENCE EXPENSE	0.39	-	-
TRAVELLING EXPENSE	4.67	4.77	5.52
<b>Legal and Professional Charges</b>			
LEGAL & PROFESSIONAL FEES	17.46	16.90	13.03
<b>Insurance Expenses</b>			
INSURANCE EXPENSE	3.68	9.45	3.92
VEHICLE INSURANCE	0.19	0.01	0.73
<b>Other Administrative and General Expenses</b>			
ACCOMODATION EXPENSES	0.89	0.59	-
COMPUTER EXPENSE	1.18	2.78	0.47
CORPORATION TAX	0.04	0.11	-
FOOD BEVERAGES EXPENSE	1.43	0.36	1.78
GST EXPENSE	0.03	-	7.34
INCOME TAX EXPENSE	0.34	0.20	0.36
LOSS ON SALE OF ASSEST	6.20	-	-
MATERIAL LOADING & UNLOADING EXPENSE	0.78	-	-
MUNICIPAL TAX	0.02	-	-
OFFICE EXPENSES	17.62	18.26	17.44
PROFESSIONAL TAX	0.04	0.07	0.15
ROAD TAX	0.08	0.00	0.48
ROC FEES	0.02	0.08	0.12
TECHNICAL FEES	1.76	0.00	-
TENDER FEES	0.84	0.58	-

TOLL CHARGES	0.34	0.00	-
WATER EXPENSE	0.07	0.01	-
BAD DEBTS	-	0.38	-
CGTMS FEES	-	2.44	3.51
LATE PAYMENT CHARGES	-	0.02	-
REGISTRATION FEES	-	0.13	0.56
INTEREST ON MSME	0.43	0.00	0.00
<b>Selling Distribution Expenses</b>			
<b>Advertising Promotional Expenses</b>			
ADVERTIESMENT EXP.	0.18	0.27	-
BUSINESS PROMOTION EXPENSE	-	0.43	-
	<b>222.54</b>	<b>162.83</b>	<b>152.82</b>

#### Annexure II.8 Restated Tax expense

Particulars	in ₹ Lakhs		
	31/03/2024	31/03/2023	31/03/2022
<b>Current tax</b>			
PROVISION FOR INCOME TAX	151.61	55.38	32.91
<b>Deferred tax</b>			
DEFERRED TAX	0.50	-4.18	4.91
	<b>152.11</b>	<b>51.20</b>	<b>37.82</b>

#### Annexure II.9 Restated Earnings per equity share

Particulars	in ₹ Lakhs		
	31/03/2024	31/03/2023	31/03/2022
<b>Earnings Per Equity Share</b>			
<b>Basic</b>			
Basic EPS Before Extra Ordinary Item	136.56	49.09	33.00
<b>Diluted</b>			
Diluted EPS Before Extra Ordinary Item	136.56	49.09	33.00
<b>Number of Shares used in computing EPS</b>			
Basic	253218	250000	250000
Diluted	253218	250000	250000
<b>Weighted Average Number of shares</b>			
<b>Number of Shares for basic EPS calculation</b>			
Number of Shares Issued During Current Year	27778	0	0
Number of shares in beginning of the year	250000	250000	250000
Number of Equity Shares Considering Bonus Impact	5566670	5563452	5563452

In terms of our attached report of even date  
For K A SANGHAVI AND CO LLP  
CHARTERED ACCOUNTANTS  
FRN : 0120846W/W100289

For DESCO INFRATECH LIMITED (FORMERLY KNOWN AS  
DESCO INFRATECH PRIVATE LIMITED)

KEYUR ASHVINBHAI SANGHAVI  
(PARTNER)  
M. NO. : 109227  
ICAI UDIN : 24109227BKCXRS1304  
**Place :** SURAT  
**Date :** 26TH SEPTEMBER, 2024

MALHAR PANKAJBHAI DESAI  
(DIRECTOR)  
(DIN : 07293599)

SAMARTH PANKAJ DESAI  
(DIRECTOR)  
(DIN : 03323535)

PRINKLE SANJAY JAIN  
(CHIEF FINANCIAL OFFICER)

JAVANIKA GANDHARVA  
(COMPANY SECRETARY)

**Annexure IV**  
**Notes to the Re-stated Financial Statements**

**1 CORPORATE INFORMATION:**

DESCO INFRA TECH PRIVATE LIMITED ("the Company") was incorporated on 19/01/2011 as a Private Limited company domiciled in India. The company has been converted into Public Limited Company with effect from July 26<sup>th</sup>, 2024. The company is primarily engaged in the business of pipeline fitting on work contract basis, erection and commissioning services.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

(i) **Basis of preparation of Restated Financial Statements :**

These Restated 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The restated financial statements have been prepared under the historical cost convention on accrual basis, except in case of assets for which provision for impairment for certain financial instruments which are measured at fair value.

The Company is a Small and Medium Sized Company (SMC) as defined in the Companies (Accounting Standards) Rules, 2021 notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

All amounts included in the Restated Financial Statements are reported in Lakhs and 2 decimals thereof in Indian Rupees except for Number of shares and EPS wherever disclosed in these restated financial statements.

The Company has maintained and preserved all its books of accounts and records at its Surat office situated at 1-A/6, D K PARK, NR. RUPALI CANAL, BHATAR ROAD, Surat, Gujarat, India, 395017

(ii) **Presentation and disclosure of Restated Financial Statements :**

The company has presented the Restated Financial Statements as per the Schedule III notified under the Companies Act, 2013. The disclosure requirements with respect to items in the Balance sheet and Profit & Loss Account, as prescribed in Schedule III of the Act are presented by way of notes forming part of the Restated Financial Statements. The company has also reclassified the previous year's figures in accordance with the requirements applicable in the current year.

Accounting policies have been consistently applied from year on year basis except for the method of depreciation in the year under Audit. The company has changed the method of providing depreciation and followed Straight Line Method ('SLM') and effect of the same has given in this restated financial statements. The financial impact on the financial statements due to the change of depreciation method has been disclosed at appropriate place in these restated financial statements.

(iii) **Use of estimates :**

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the restated financial statements.

(iv) **Property, Plant & Equipment :**

Property, Plant & Equipment are carried at cost of acquisition and other applicable costs less accumulated depreciation and accumulated impairment loss, if any. The cost of fixed assets includes cost of acquisition plus, any freight, taxes, duties and other incidental expenses that are directly attributable to bring the assets to their working conditions for their intended use. Borrowing costs directly attributable to the qualifying assets are capitalized as part of the cost. The costs of internally generated assets comprise direct costs attributed to the generation of the assets.

Capital work in progress, if any comprises of the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Assets held for disposal, if any are stated at the lower of net book value and the estimated net realizable value.

When parts of the items of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to the property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Gain / loss arising from de-recognition / sale / disposal of fixed assets are measured as the difference between the net disposal / sale proceeds and the carrying amount of the assets and are recognized in the statement of profit or loss when the asset is derecognized / disposed off.

Advances paid towards the acquisition of fixed assets, if any outstanding as of balance sheet date is disclosed under long term loans and advances.

No assets have been revalued during the year.

(v) **Intangible Assets :**

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and accumulated impairment losses, if any.

(vi) **Borrowing Costs:**

Loan processing charges and interest expenses paid to Bank for CC facilities and Term Loans have been charged to revenue account since the same are not attributable to the acquisition of qualifying assets as per the requirements of AS 16.

Borrowing cost primarily includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

(vii) **Depreciation / Amortization :**

Depreciation on tangible fixed assets is calculated on the Straight Line Method (SLM) based on the useful lives and residual values estimated by the management in accordance with Schedule II to the Companies Act, 2013. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Intangible assets, if any are amortized on basis of the economic benefits consumed by the company over the projected useful life and if the pattern of economic benefits cannot be identify reliably then the straight line method is used.

No assets have been revalued during the year.

The company has used the following useful lives to provide depreciation on its tangible assets and intangible assets.

Type of assets	Useful lives (in years)
Computers	03
Furniture and fixtures	10
Motor vehicles and Heavy Vehicles	08
Vehicles (2 wheelers)	10
Office Equipments	05
Plant and Machinery	15

(viii) **Impairment of Tangible and Intangible Assets:**

As per the estimates made by the management and as per the various assessments made by the management, there were no indicators whether internal or external (as provided in para 8 of AS 28) which has led to the impairment loss to any assets. Since there are no such indicators which suggest that the net value of the assets would fall significantly by passage of time and normal use, the company has not provided for any impairment loss for any assets during the current financial period. The company has chosen the "value in use" technique and as per the measurement of future cash flow, the management is of the opinion that the future cash flow and the terminal value of the assets would not be significantly less than the carrying value and hence no impairment for any assets has been provided for in the restated financial statements.

No reversal of impairment loss has been recognized in the Profit & loss Account.

Since the company has not carried out the activities in segments, the impairment loss or reversal of the impairment loss has not been provided for the segments.

In the opinion of the Board of Directors and to the best of their knowledge and belief the aggregate value of the current assets, loans and advances on realization in the ordinary course of business, will not be less than the amount at which they are stated in the Balance Sheet.

(ix) **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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the Restated Financial Statements at lower of cost and fair value determined in respect of each category of the investments. Long-term investments are carried at cost. However, provision for diminution in value, if any is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, if any, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(x) **Government grants and subsidies:**

Grants and subsidies from the government are recognised when there is reasonable assurance that:

- i. The Company will comply with the conditions attached to them, and
- ii. The grant / subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

- (xi) **Inventories:**  
Inventories are stated at the lower of cost and net realisable value by following First In First Out ('FIFO') method. Cost of Inventories comprises all cost of purchase and other cost incurred in bringing inventories to their present location and condition. Cost in case of work in progress is determined on the basis of the actual expenditure attributable to the said work till the end of the reporting period.  
Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.
- (xii) **Revenue recognition:**  
Revenue comprises sale of services from pipeline fittings on work contract basis, erection, installation and commissioning services and interest. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The Company collects Goods and Services Tax (GST) as applicable on behalf of the government and therefore, this is not economic benefits flowing to the Company hence, this is excluded from revenue.
- Revenue from sales of Services:**  
Revenue from sale of services from pipeline fittings on work contract basis, erection, installation and commissioning services are recognised in the statement of profit and loss based on the invoice/ upon completion of work and in respect of work-in-progress at the end of the year, the same has been recognised on proportion of service completed.
- Interest Income:**  
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (xiii) **GST :**  
GST credit available on purchase of materials, purchase of capital goods and input services is not charged to cost of material, capital goods and services. GST Credit availed is accounted by way of adjustment against GST payable on rendering of services.
- (xiv) **Retirement and other Employee benefits:**  
**Short term Employee benefits:**  
Short term benefits including salaries, social security contributions, short term compensated absences, if any (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonus payable, if any within twelve months after the end of the period in which the employees render the related services and non-monetary benefits (such medical care) for current employees are estimated and measured on an undiscounted basis.  
During the year under consideration, the company has paid only salary to its employee and no other short term benefits are paid to any employee.
- Long term employee benefits:**  
**Defined Contribution Plan:**  
All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme, as applicable at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.
- Defined Benefit Plan:**  
The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. However, the company has not made any such contributions during the year. The cost of providing benefits under the defined benefit plan is based on an independent actuarial valuation carried out using the projected unit credit method.  
Actuarial gain / loss is directly credited / debited to the Profit and loss account.  
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.
- (xv) **Foreign Exchange Transactions:**  
The Company has not entered into any Foreign Exchange Transactions during the year under consideration.  
The company has not entered into any forward exchange contracts during the year.
- (xvi) **Taxation:**  
Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. The amount of current tax actually determined at the time of filing of IT return for the Assessment Year determined the final self-assessment tax liability and accordingly the company has reversed the excess provision of current tax charged to statement of profit and loss in earlier period or made additional provision for current tax not charged to statement of profit & loss, in current reporting period as the case may be.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax

rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

**(xvii) Provisions and contingent liabilities, Contingent assets:**

A provision is recognised when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions of various expenses are recognized in the restated financial statements since there exists present obligations as a result of event and the expenses are accrued and incurred during the year.

The opening balance of provisions is used during the year against the payments during the year. The closing balances of provisions are the expenses accrued during the year and provided.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Company does not recognise a contingent liability but discloses its existence in the rested financial statements unless the possibility of an outflow is remote.

A contingent asset is not recognized in the restated financial statements and hence not disclosed.

**(xviii) Earnings / (loss) per share:**

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the restated financial statements are approved by the board of directors for the purpose of calculating diluted earnings / (loss) per share. The net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus and right issue as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

**(xix) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit for the period 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.

**(xx) Cash and Cash Equivalents :**

Cash and cash equivalents for the purpose of these restated financial statements comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

**(xxi) Operating leases :**

As a Lessee:

Finance leases, which effectively transfers to the Entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction

of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Profit and Loss Account. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset assessed by the management. However, if there is no reasonable certainty that the Entity will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

**As a Lessor:**

Leases in which the Entity transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Entity apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

Leases in which the Entity does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment assets. Lease income on an operating lease is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

**(xxii) Operating leases:**

**Premises**

The Company has taken premises under cancellable operating leases. During the year company has paid Rs.51.92 Lakhs (Rs. 52.71 Lakhs) (Rs. 56.40 Lakhs) rent under cancellable operating leases.

The company has not entered into any lease agreements with any person during the period whereby any operating lease incomes are generated. The company has not acquired any fixed assets under finance lease / operating lease agreements during the year.

**(xxiii) Earning / (loss) per share :**

Basic and Dilutive Earnings per Share ("EPS") computed in accordance with Accounting Standard (AS) 20 'Earnings per Share'.

Particulars		2023-24	2022-23	2021-22
<b>Basic :</b>				
Profit after tax as per P & L Account before exceptional item (in ₹ lakhs)	A	345.80	122.72	82.51
Weighted Number of Equity shares outstanding during the period	B	253218	250000	250000
Basic EPS (₹)	A/B	136.56	49.09	33.00
Diluted EPS (₹)	A/B	1336.56	49.09	33.00

Since the company has not issued any convertible preference shares or convertible debentures, the diluted EPS is same as that of Basic EPS.

**(xxiv) Segmental Reporting:**

The company is engaged in the business of pipeline fitting on work contract basis, erection and commissioning services which is the only business activity carried out by the company during the year. Therefore, no separate operating segment is identifiable. The company has carried out the work as per the orders of the customers of different location during the continuation of the work. Therefore, there is no identifiable geographical segment in view of the provisions of AS 17 Segment Reporting. Therefore, no segment reporting is given.

**(xxv) Cash Flow Statement :**

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

**(xxvi)** Based on the information available with the company, the company has total dues of ₹ 116.45 Lakhs (NIL) (NIL) as on March 31, 2024 ( March 31, 2023) ( March 31, 2022) to MSMEs registered under the Micro, Small and medium Enterprises Development Act, 2006. Out of the same ₹ 51.89 Lakhs (NIL) (NIL) are outstanding at the year-end for more than 45 days on which interest of Rs. 0.43 Lakhs has been provided as prescribed under MSMED Act, 2006.

**(xxvii) Disclosure required U/S. 186(4) of The Companies Act, 2013 :**

For details of loans and guarantees given to and given by related parties, refer Annexure - X.

**(xxviii)** During the year, the company is not covered in section 135 of Companies Act, 2013 and hence the company is not required to apply the CSR Rules.

**(xxix) The Code on Social Security, 2020:**

The Code on Social Security 2020 ('Code') has been notified in the Official Gazette on September 29, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which the said Code becomes effective and the rules framed thereunder are notified.



(xxx) **Additional information pursuant to the provisions of Schedule III of The Companies Act, 2013**

a. Title deeds of Immovable Property not held in name of the Company

During the period, the company has not owned any immovable properties whose title deeds are not held in the name of the company.

b. During the period, company has not revalued any Property, Plant and Equipment.

c. Details of Benami Property held and the proceedings under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder:

During the period, there is no such proceedings have been initiated or pending as on the date of balance sheet, against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

d. Borrowings on security of current asset

During the period, the Company has been sanctioned working capital limits from banks and financial. The company is not required to submit quarterly returns / statements with such banks / financial institutions.

e. During the period, the company was not declared as wilful defaulter by any bank or financial Institution or other lender.

f. Based on the information available with the Company, there are no transactions with struck off companies.

g. Registration of charges or satisfaction with Registrar of Companies

All the charges or satisfactions are duly registered with registrar of companies.

h. The Company has no subsidiaries or holding company and hence the provisions of clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended) are not applicable.

i. The company does not have any such transactions which are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of The Income Tax Act, 1961).

j. During the period, no scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

k. A) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies), including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

B) The company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

l. Value of imports calculated on CIF basis

(In ₹ lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Raw Materials & Components	NIL	NIL	NIL
Stores and Spares	NIL	NIL	NIL
Capital Goods	NIL	NIL	NIL

m. Expenditure in Foreign Currency (Accrual Basis)

(In ₹ lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Expenses debited in the statement of Profit & Loss	NIL	NIL	NIL

n. Imported and Indigenous raw materials, components and spare parts consumed :

(In ₹ lakhs)

Particulars	March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	%	Amount	%	Amount	%
Imported	NIL	0.00	NIL	0.00	NIL	0.00
Indigenous	216.97	100.00	203.17	100.00	140.28	100.00

o. Earning in Foreign Currency (accrual basis) :

(In ₹ lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
FOB value of exports	NIL	NIL	NIL

p. Director's Remuneration :

(In ₹ lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Directors' Remuneration	59.92	18.86	8.40

q. Undisclosed Income

During the year, there are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income in the Tax Assessment under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

r. Details of Crypto Currency or Virtual Currency

During the year, the company has not traded or invested in any Crypto Currency or Virtual Currency and hence not applicable.

**(xxxi) Approval of the Restated Financial Statements :**

The Restated Financial Statements were approved for issue by the Board of Directors on August 31, 2024.

**(xxxii)** Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting policies. (GAAP)

**(xxxiii)** The previous year's figures have been regrouped or reclassified wherever necessary to confirm with the current year's presentation.

**Notes to the Re-stated Financial Statements:**

**I. Additional regulatory information**

**(a) Details of crypto currency or virtual currency**

The Company has neither traded nor invested in Crypto currency or Virtual Currency during the period ended on March 31, 2024 and for the year ended on March 31, 2023 & 2022. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

**(b) Undisclosed income**

During the Period, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**(c) Relationship with struck off companies**

The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the period ended on March 31, 2024 and for the year ended on March 31, 2023 & 2022.

**(d) Compliance with numbers of layers of companies**

The Company is in compliance with the number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the period ended on March 31, 2024 and for the year ended on March 31, 2023 & 2022.

**(e) Utilisation of borrowed funds and share premium**

During the period ended on March 31, 2024 and for the year ended on March 31, 2023 & 2022, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium 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.

During the period ended on March 31, 2024 and for the year ended on March 31, 2023 & 2022, 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.

**(f) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.**

**(g) No proceeding have been initiated nor pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.**

**VI. Non-adjustment Items:**

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

**II. Material Regroupings:**

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

## III. Material Adjustments in Restated Profit &amp; Loss Account:

(₹ in Lakhs)

Particulars	For the Period Ended		
	31/03/2024	31/03/2023	31/03/2022
<b>Profit After Tax as per Books of Accounts</b>	<b>332.14</b>	<b>133.52</b>	<b>79.64</b>
Adjustment for provision of Deferred Tax	-8.17	2.34	-7.22
Adjustment for provision of Depreciation	0.00	8.62	10.12
Adjustment for provision of Gratuity Expense	17.82	-17.82	0.00
Adjustment for Prior period expense	4.45	-4.45	0.00
Adjustment for Profit on sale of Fixed Asset	0.00	-0.96	0.00
Residual Adjustment of Fixed Asset as per Audit Report	0.00	0.00	0.06
Adjustment for provision of Income Tax	0.00	1.48	-0.09
Adjustment for Interest on MSME	-0.43	0.00	0.00
<b>Profit After Tax as per Restated</b>	<b>345.80</b>	<b>122.72</b>	<b>82.51</b>

(₹ in Lakhs)

Particulars	For the Period Ended		
	31/03/2024	31/03/2023	31/03/2022
<b>Reserves and Surplus as per Books of Accounts</b>	<b>1183.66</b>	<b>469.57</b>	<b>340.19</b>
Adjustment for provision of Deferred Tax	-8.17	2.34	-7.22
Adjustment for provision of Depreciation	0.00	8.62	10.12
Adjustment for provision of Gratuity Expense	17.82	-17.82	0.00
Adjustment for Prior period expense	4.45	-4.45	0.00
Adjustment for Profit on sale of Fixed Asset	0.00	-0.96	0.00
Adjustment for provision of Income Tax	0.00	1.48	-0.09
Residual Adjustment of Fixed Asset as per Audit Report	0.00	0.00	0.06
Adjustment of change in method of depreciation from WDV to SLM	-34.84	0.00	17.00
Adjustment in Opening Balances	9.08	19.87	0.00
Adjustment for Interest on MSME	-0.43	0.00	0.00
<b>Reserves and Surplus as per Restated</b>	<b>1171.56</b>	<b>478.65</b>	<b>360.06</b>

## IV. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Based on the information available with the Company in respect of MSME (as defined in the Micro, Small and Medium Enterprises Development Act, 2006) there are no delays in payment of dues to such enterprise during the year.

The identification of Micro, Small and Medium Enterprises Suppliers as defined under “The Micro, Small and Medium Enterprises Development Act, 2006” is based on the information available with the management. Based on the information available with the company, the company has total dues of ₹ 116.45 Lakhs (NIL) (NIL) as on March 31, 2024 ( March 31, 2023) (March 31, 2022) to MSMEs registered under the Micro, Small and medium Enterprises Development Act, 2006. Out of the same ₹ 51.89 Lakhs (NIL) (NIL) are outstanding at the year-end for more than 45 days on which interest of Rs. 0.43 Lakhs (NIL) (NIL) has been provided as per the provisions of MSMED Act, 2006.

I. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

II. The balance of Sundry Creditors, Sundry Debtors, Loans Advances, Unsecured Loans, and Current Liabilities are subject to confirmation and reconciliation

V. As required under SEBI (ICDR) Regulations, the statement of assets and liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.

**VI. Deferred Tax Asset / Liability: [AS-22]**

The company has created Deferred Tax Asset / Liability as required by Accounting Standard (AS) - 22

**VII. Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits**

Balances of Trade Receivables, Trade Payables, Borrowings and Loans & Advances and Deposits are subject to confirmation.

**VIII. Re-grouping/re-classification of amounts**

The figures have been grouped and classified wherever they were necessary.

**IX. Examination of Books of Accounts & Contingent Liability**

The list of books of accounts maintained is based on information provided by the assessee and is not exhaustive. The information in audit report is based on our examination of books of accounts presented to us at the time of audit and as per the information and explanation provided by the assessed at the time of audit.

**X. Director Personal Expenses**

There are no direct personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

The company is not covered in section 135 of Companies Act, 2013 and hence the company is not required to apply

**XI. the CSR Rules**

**DESCO INFRATECH LIMITED (FORMERLY KNOWN AS DESCO INFRATECH PRIVATE LIMITED)****CIN : U45201GJ2011PLC063710****ANNEXURE – V****XII. Disclosure under AS - 15 Employee Benefits**

The benefits payable under this plan are governed by "Gratuity Act 1972". Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the member's length of services and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the summary statement of profit or loss and the funded status and amounts recognised in the statement of assets and liabilities for the respective plans:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>1. Data Summary</b>		
Number of employees (Absolute numbers)	242	408
Total Monthly Salary	34.82	58.31
Average Salary	0.14	0.14
<b>2. Valuation Results</b>		
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	-	0.38
Non-Current Liability	13.6	17.45
<b>*The average expected future service is 4.00 years.</b>		
<b>3. Recognised in Balance Sheet</b>		
Current Liability	-	0.38
Non-Current Liability	13.6	17.45
<b>Liability recognized in balance sheet as at the end of the year</b>	<b>13.6</b>	<b>17.83</b>
<b>4. Debited in Profit &amp; Loss Account</b>		
Opening Balance	17.83	NIL
Closing Balance	13.6	17.83
<b>Net Gratuity cost in statement of Profit and Loss account</b>	<b>-4.23</b>	<b>17.83</b>
<b>5. Actuarial Assumptions</b>		
Discount Rate (per annum)	7.18%	7.31%
Annual Increase in Salary Cost	6.00%	6.00%
Mortality Rate During employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement Age	58 Years	58 Years
Attrition Rate	For service 4 years and below 40.00% p.a.	For service 4 years and below 40.00% p.a.
	For service 5 years and above 5.00% p.a.	For service 5 years and above 5.00% p.a.

**DESCO INFRA TECH LIMITED (FORMERLY KNOWN AS DESCO INFRA TECH PRIVATE LIMITED)****CIN : U45201GJ2011PLC063710****ANNEXURE VI****Statement of Accounting & Other Ratios, As Restated****(₹ in Lakhs)**

<b>Particulars</b>	<b>31/03/2024</b>	<b>31/03/2023</b>	<b>31/03/2022</b>
Net Profit as Restated (A)	345.80	122.72	82.51
Add: Depreciation	15.73	14.83	13.82
Add: Interest on Loan	52.43	36.57	37.93
Add: Income Tax/ Deferred Tax	152.11	51.20	37.82
Less: Other Income	-10.17	-6.00	-6.32
<b>EBITDA</b>	<b>555.90</b>	<b>219.32</b>	<b>165.77</b>
<b>EBITDA Margin (%)</b>	<b>18.91%</b>	<b>7.51%</b>	<b>8.35%</b>
Net Worth as Restated (B)	1199.34	503.65	385.06
<b>Return on Net worth (%) as Restated (A/B)</b>	<b>28.83%</b>	<b>24.37%</b>	<b>21.43%</b>
Equity Share at the end of year (in Nos.) (C)	277778	250000	250000
Weighted No. of Equity Shares (D)	253218	250000	250000
Weighted No. of Equity Shares Considering Bonus Impact (E) (Post Bonus after restated period with retrospective effect)	5566670	5563452	5563452
<b>Basic &amp; Diluted Earnings per Equity Share as Restated (A/D)</b>	<b>136.56</b>	<b>49.09</b>	<b>33.00</b>
Basic & Diluted Earnings per Equity Share as Restated after considering Bonus Impact with retrospective effect (A/E)	6.21	2.21	1.48
<b>Net Asset Value per Equity share as Restated (B/C)</b>	<b>431.76</b>	<b>201.46</b>	<b>154.03</b>
<b>Net Asset Value per Equity share as Restated after considering Bonus &amp; Split Impact with retrospective effect (B/E)</b>	<b>21.54</b>	<b>9.05</b>	<b>6.92</b>

Note:-

EBITDA Margin = EBITDA/Revenue from Operations

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Net asset value/Book value per share (₹) = Net worth / No. of equity shares

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

The Company does not have any revaluation reserves or extra-ordinary items.

**Statement of Analytical Ratios, As Restated**

SR. NO.	RATIO	AS AT MARCH 31,		
		2024	2023	2022
1	Current Ratio( In times)	2.08	1.47	1.59
2	Debt - Equity Ratio(In times)	0.34	1.15	0.80
3	Debt Service Coverage Ratio (In times)	3.04	1.81	1.39
4	Return on Equity Ratio(in %)	28.86	24.37	21.43
5	Inventory T/O. Ratio (in days)	15.44	7.12	11.62
6	Trade Receivable T/O Ratio(in Days)	178.71	131.95	128.99
7	Trade payable T/O Ratio(in Days)	135.50	101.87	105.57
8	Net Capital T/O Ratio(In times)	2.52	4.34	4.44
9	Net Profit Ratio( in %)	11.78	4.20	4.16
10	Return on capital Employed(in %)	39.20	22.27	22.82
11	Return on Investment(In %)	NA	NA	NA

**Percentage of Variance**

SR. NO.	RATIO	AS AT MARCH 31,	
		2024	2023
1	Current Ratio( In times)	41.45	(7.51)
2	Debt - Equity Ratio(In times)	(70.64)	43.84
3	Debt Service Coverage Ratio (In times)	68.40	30.15
4	Return on Equity Ratio(in %)	18.43	13.72
5	Inventory T/O. Ratio (in days)	116.86	(38.75)
6	Trade Receivable T/O Ratio(in Days)	35.44	2.29
7	Trade payable T/O Ratio(in Days)	33.02	(3.51)
8	Net Capital T/O Ratio(In times)	(41.99)	(2.32)
9	Net Profit Ratio( in %)	180.48	1.05
10	Return on capital Employed(in %)	75.97	(2.39)
11	Return on Investment(In %)	NA	NA

**REASONS FOR VARIANCE IN EXCESS OF 25% for the year ended 31/03/2024**

1	Increase is due to the increase in Current Asset and decrease in Current Liabilities in current year as compared to last year.
2	Decrease is due to the increase in Share Holder's Equity in current year as compared to last year.
3	Increase is mainly due to increase in profit before Tax as compared to last year.
4	Since the variance in the ratio is less than 25%, reasons for change is not given.
5	Increase is mainly due to increase in Average inventory in current year as compared to last year.
6	Increase is mainly due to the increase in Average Trade Receivable in current year as compared to last year.
7	Since the variance in the ratio is less than 25%, reasons for change is not given.
8	Decrease is mainly due to the increase in Working Capital in current year as compared to last year.
9	Increase is mainly due to the increase in Profit after Tax in current year as compared to last year.
10	Increase is mainly due to the increase in Profit before tax in current year as compared to last year.
11	NA

**REASONS FOR VARIANCE IN EXCESS OF 25% for the year ended 31/03/2023**

1	Since the variance in the ratio is less than 25%, reasons for change is not given.
2	Increase is due to the increase in Total Debt as compared to last year.
3	Increase is mainly due to increase in profit before Tax as compared to last year.
4	Since the variance in the ratio is less than 25%, reasons for change is not given.
5	Decrease is mainly due to increase in Cost of Goods Sold as compared to last year.
6	Since the variance in the ratio is less than 25%, reasons for change is not given.
7	Since the variance in the ratio is less than 25%, reasons for change is not given.
8	Since the variance in the ratio is less than 25%, reasons for change is not given.
9	Since the variance in the ratio is less than 25%, reasons for change is not given.
10	Since the variance in the ratio is less than 25%, reasons for change is not given.
11	NA



## Statement of Capitalization, as Restated

(₹ in Lakhs)

Particulars	Pre-Issue*	Post Issue*
	31/03/2024	
<b>Debt :</b>		
Long Term Debt	156.90	[•]
Short Term Debt	249.47	[•]
<b>Total Debt</b>	<b>406.37</b>	[•]
<b>Shareholders Funds</b>		
Equity Share Capital	27.78	[•]
Reserves and Surplus	1171.56	[•]
Less: Misc. Expenditure	0.00	-
<b>Total Shareholders' Funds</b>	<b>1199.34</b>	[•]
<b>Long Term Debt/ Shareholders' Funds</b>	0.13	[•]
<b>Total Debt / Shareholders Fund</b>	0.34	[•]

\*Note:-

- 1) "The Pre issue figures are as on 31.03.2024"
- 2) "The post issue figures are not available since issue price is not yet finalized"

**DESCO INFRA TECH LIMITED (FORMERLY KNOWN AS DESCO INFRA TECH PRIVATE LIMITED)****CIN : U45201GJ2011PLC063710****ANNEXURE IX****Statement of Tax Shelter, As Restated****(₹ in Lakhs)**

<b>Particulars</b>	<b>31/03/2024</b>	<b>31/03/2023</b>	<b>31/03/2022</b>
<b>Profit Before Tax as per books of accounts (A)</b>	<b>497.91</b>	<b>173.92</b>	<b>120.33</b>
-- Normal Tax rate	25.17%	27.82%	27.82%
-- Minimum Alternative Tax rate	0.00%	16.69%	16.69%
<b>Permanent differences</b>			
Other adjustments	60.77	8.31	0.84
Prior Period Item	-	-	-
<b>Total (B)</b>	<b>60.77</b>	<b>8.31</b>	<b>0.84</b>
<b>Timing Differences</b>			
Depreciation as per Books of Accounts	15.73	14.83	13.82
Depreciation as per Income Tax Act	19.66	15.82	14.69
Difference between tax depreciation and book depreciation	-3.94	-0.98	-0.87
Other adjustments	47.66	17.82	-
Deduction under chapter VI-A	-	-	-2.00
<b>Total (C)</b>	<b>43.73</b>	<b>16.84</b>	<b>-2.87</b>
<b>Net Adjustments (D = B+C)</b>	<b>104.49</b>	<b>25.15</b>	<b>-2.03</b>
<b>Total Income (E = A+D)</b>	<b>602.41</b>	<b>199.07</b>	<b>118.30</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>602.41</b>	<b>199.07</b>	<b>118.30</b>
Tax Payable for the year	151.61	55.38	32.91
Tax payable as per MAT	NA	29.03	20.09
Tax expense recognised	<b>151.61</b>	<b>55.38</b>	<b>32.91</b>
Tax payable as per normal rates or MAT (whichever is higher)	<b>Income Tax</b>	<b>Income Tax</b>	<b>Income Tax</b>

**Calculation Of Book Profit U/s 115JB**

Net Profit As Shown In The Profit And Loss Account	NA	122.72	82.51
Add: Depreciation As Per Books	NA	14.83	13.82
Add: Provision For Income Tax	NA	51.20	37.82
Less: Depreciation As Per Books	NA	-14.83	-13.82
<b>Book Profit as per 115JB</b>	<b>NA</b>	<b>173.92</b>	<b>120.33</b>

ANNEXURE X**Statement of Related Party & Transactions :****a. List of related parties and nature of relationships where control exists :**

The company has not entered into any Joint Ventures with any person / Association / Investment in any wholly or partly owned subsidiary during the period whether in India or outside India

**b. Other related parties with whom transactions have taken place during the period.****i) Entities where Key Management Personnel (KMP) / relatives of key management personnel (RKMP) have significant influence**

→ Desai Energy LLP

**ii) Key Management Personnel :**

→ Pankaj Desai

→ Malhar Pankajbhai Desai

→ Samarth Pankaj Desai

→ Amulya Kumar Jena

→ Hina Pankaj Desai (Resigned as Director w.e.f. July 31, 2024)

→ Indira Desai

**iii) Relatives of key management personnel :**

→ Desai Associate (Proprietorship of Pankaj Desai)

**c. Status of outstanding balances as at March 31, 2024 (March 31, 2023) (March 31, 2022):**

(In ₹ lakhs)

Particulars	Type of relationship	Name of the entity / person	Year ended on March 31, 2024	Year ended on March 31, 2023	Year ended on March 31, 2022
Sundry Debtors	Entities where KMP / RKMP has significant influence	Desai Energy LLP	184.40	-	-
Sundry Debtors	Entities where KMP / RKMP has significant influence	Desai Associates	115.21	-	-
Unsecured Loans	KMP	Hina Desai	7.70	-	-
		Indira Desai	18.73	18.81	16.31
		Malhar Desai	-	15.33	15.33
		Pankaj Desai	-	174.87	31.72
Director Remuneration Payable	KMP	Pankaj Desai	3.95	5.65	-
		Amulya Jena	7.02	1.40	-
		Hina Desai	11.10	-	-
		Indira Desai	10.22	5.30	-
		Malhar Desai	3.71	0.87	-
		Samarth Desai	8.14	1.99	-
Sundry Creditors	KMP	Pankaj Desai	-	1.29	-
		Hina Desai	-	1.74	
Sundry Creditors	Entities where KMP / RKMP has significant influence	Desai Associates	15.67	0.06	-

1. Directors and relatives of directors have given their various properties as collateral securities in various loans obtained by the company

2. Directors and relatives of directors have given their personal guarantees in various loans obtained by the company

d. Disclosure of significant transactions with related parties during the period

(In ₹ lakhs)

Transaction with Related Parties	31-Mar-24	31-Mar-23	31-Mar-22
<b>Sales</b>			
Desai Associates	98.05	-	-
Desai Energy LLP	209.71	-	-
<b>Sub Contract Charges</b>			
Desai Associates	13.34	11.42	-
<b>Director Remuneration</b>			
Pankaj Desai	7.00	6.00	3.60
Amulya Jena	12.00	5.06	1.86
Hina Desai	12.00	-	-
Indira Desai	4.92	-	-
Malhar Desai	12.00	4.80	3.00
Samarth Desai	12.00	3.00	1.80
<b>Office Rent</b>			
Pankaj Desai	1.80	1.80	1.80
Hina Desai	3.60	3.60	3.60
<b>Malhar Desai</b>			
Opening balance of Loan taken by the Company	15.33	15.33	13.33
Loan Taken by the Company	96.11	-	2.00
Loan Repaid by the Company	111.44	-	-
Interest on Loan taken/Given	-	-	-
Closing Balance	-	15.33	15.33
<b>Samarth Desai</b>			
Opening balance of Loan taken by the Company	-	-	-
Loan Taken by the Company	119.07	-	-
Loan Repaid by the Company	119.07	-	-
Interest on Loan taken/Given	-	-	-
Closing Balance	-	-	-
<b>Desai Associates</b>			
Opening balance of Loan taken by the Company	174.87	31.72	19.19
Loan Taken by the Company	267.64	703.42	484.09
Loan Repaid by the Company	442.51	560.27	471.55
Interest on Loan taken/Given	-	-	-
Closing Balance	-	174.87	31.72
<b>Indira Desai</b>			
Opening balance of Loan taken by the Company	18.81	16.31	16.31
Loan Taken by the Company	-	2.50	-
Loan Repaid by the Company	0.08	-	-
Interest on Loan taken/Given	-	-	-
Closing Balance	18.73	18.81	16.31
<b>Hina Desai</b>			
Opening balance of Loan taken by the Company	-	-	10.00
Loan Taken by the Company	7.70	-	-
Loan Repaid by the Company	-	-	10.00
Interest on Loan taken/Given	-	-	-
Closing Balance	7.70	-	-

**DESCO INFRATECH LIMITED (FORMERLY KNOWN AS DESCO INFRATECH PRIVATE LIMITED)****CIN : U45201GJ2011PLC063710****ANNEXURE XI****Statement of Dividends**

No Dividend Paid till Date

**ANNEXURE –XII****Changes in the Significant Accounting Policies**

There have been no changes in the accounting policies of the company for the period covered under audit

**ANNEXURE –XIII****Contingent Liabilities & Capital Commitment:**

(In ₹ lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
Goods and Service Tax Order for F.Y. 2017-2018, pending before Assistant Commissioner, Ghatak 5-Ahemdabad.	13.02	NIL	NIL
Goods and Service Tax Order for F.Y. 2018-2019, pending before Assistant Commissioner, Ghatak 5-Ahemdabad.	4.18	NIL	NIL
Goods and Service Tax Order for F.Y. 2019-2020, pending before Assistant Commissioner of Commercial taxes, Benagluru.	31.48	NIL	NIL

Notes: The Company has filed an appeal before the Appellate authorities in respect of the disputed matter under the Goods and Service Tax Act, 2017 and the appeals are pending with the appellate authority. Considering the facts of the matters and other legal pronouncements of jurisdictional HC, no provision is considered necessary by the management because the management is hopeful that the matter would be decided in favour of the Company in the light of the legal advice obtained by the company. The amount is shown as Contingent liabilities not provided for.

## OTHER FINANCIAL INFORMATION

*(₹ in Lakhs except the percentage % data)*

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Restated PAT as per statement of Profit & Loss (For Basic EPS Purpose) (A)	345.80	122.72	82.51
Add: Depreciation	15.73	14.83	13.82
Add: Finance Cost	52.43	36.57	37.93
Add: Income Tax/ Deferred Tax	152.11	51.20	37.82
Less: Other Income	10.17	6.00	6.32
<b>Restated Earnings Before Interest, Tax, Depreciation &amp; Amortization (EBITDA)</b>	<b>555.90</b>	<b>219.32</b>	<b>165.77</b>
<b>EBITDA Margin (%)</b>	<b>18.91%</b>	<b>7.51%</b>	<b>8.35%</b>
Net Worth, as restated (B)	1,199.34	503.65	385.06
<b>Return on Net Worth (%) (A/B)</b>	<b>28.83%</b>	<b>24.37%</b>	<b>21.43%</b>
Number of Equity Shares at the end of the period (C)	2,77,778	2,50,000	2,50,000
Weighted Average Number of equity shares (D)	2,53,218	2,50,000	2,50,000
Weighted Average Number of equity shares (E) (Post Bonus after restated period with retrospective effect)	55,66,670	55,63,452	55,63,452
<b>Earnings per Share</b>			
Restated Basic & Diluted EPS (Before Bonus) (A/D)	136.56	49.09	33.00
Restated Basic & Diluted EPS (After Bonus) (A/E)	6.21	2.21	1.48
Net Assets value per Equity Share (Before Bonus) (B/C)	431.76	201.46	154.03
Net Assets value per Equity Share (After Bonus) (B/E)	21.55	9.05	6.92

### Notes:

1. Restated EBITDA=Restated PAT+Depreciation+Finance cost+Income tax+ Preference Dividend-other income
2. EBITDA Margin=EBITDA/REVENUE FROM OPERATION
3. Restated Basic & Diluted EPS (Before Bonus) (A/D)=Restated PAT/No of shares at the end of period
4. Restated Basic & Diluted EPS (After Bonus) (A/E)=Restated PAT/No of shares after bonus
5. Return on Net Worth (%) (A/B)=Restated PAT/Net Worth
6. Net Assets value per Equity Share (Before Bonus) (B/C)=Net worth restated/No of equity shares at the end of the Period
7. Net Assets value per Equity Share (After Bonus) (B/E)=Net worth restated/No of equity shares after Bonus Impact

## CAPITALISATION STATEMENT

### ANNEXURE - VIII: RESTATED STATEMENT OF CAPITALISATION

The following table sets forth our capitalisation derived from our Restated Financial Statements as at financial year ended on March 31, 2024, and as adjusted for the Issue. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Restated Financial Information*” and “*Risk Factors*” on pages 261, 220, and 36 respectively of this Draft Red Herring Prospectus.

(₹ in Lakhs)

Sr. No	Particulars	Pre Issue	Post Issue
	<b>Debts</b>		
A	Long Term Debt*	156.90	[•]
B	Short Term Debt*	249.47	[•]
<b>C</b>	<b>Total Debt</b>	<b>406.37</b>	[•]
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital#	27.78	[•]
	Reserves and Surplus	1171.56	
<b>D</b>	<b>Total Equity</b>	<b>1199.34</b>	
	Long Term Debt/ Equity Ratio (A/D)	0.13	
	Total Debt/ Equity Ratio (C/D)	0.34	
<b>Notes:</b>			
1) The Pre issue figures are as on 31.03.2024			
2) The post issue figures are not available since issue price is not yet finalized			

## FINANCIAL INDEBTEDNESS

Our Company has availed borrowings in the ordinary course of our business. Set forth below is a brief summary of our aggregate outstanding borrowings as on March 31, 2024:\*

(₹ in Lakhs)

Nature of Borrowing	Amount
Secured Borrowings	286.88
Unsecured Borrowings	119.49
<b>Total</b>	<b>406.37</b>

### DETAILS OF BORROWINGS:

#### Details of Secured Borrowings:

(₹ in Lakhs)

Name of Lender	Purpose	Sanctioned Amount	Rate of Interest p.a.	Monthly Instalment	Outstanding amount as on March 31, 2024 (as per Books)	Security offered
YES Bank	Working Capital	11.50	9.25%	0.31	1.53	Second charge on all existing security in favor of National Credit guarantee Trustee company and such other security as may be required by bank
UBI Bank 94	Working Capital	8.90	7.40%	0.14	5.59	Hypothecation charge on the specified vehicle
HDFC Bank	Vehicle Loan	6.00	9.00%	0.15	4.47	Hypothecation charge on the specified vehicle
AMCO Bank Ltd. (Hyryder) - 066032351000038	Vehicle Loan	14.00	8.50%	0.22	13.12	Hypothecation charge on the specified vehicle
AMCO Bank Ltd. (Hyryder 2) 066032351000049	Vehicle Loan	13.50	8.25%	0.21	13.38	Hypothecation charge on the specified vehicle
Kotak Mahindra Bank Ltd.	Working Capital	50.00	15.10%	1.74	44.36	Personal Guarantee of Malhar Desai, Samarth Desai, Indira Desai and Hina Desai
Sundaram Finance (Tata Yodha) - 0489	Vehicle Loan	27.00	12.45%	0.93	27.00	Hypothecation charge on the specified vehicle
Sundaram Finance LTD -0275	Vehicle Loan	5.00	8.85%	0.16	1.71	Hypothecation charge on the specified vehicle
YES BANK Limited (Cash Credit)	Working Capital	197.00	9.25%	-	175.72	1. Exclusive Hypothecation Charge to be obtained on Current Assets (Both Present and Future) of the Borrower. 2. Equitable / Registered Mortgage on Property situated at: i) Plot No. 110 & 111, R.S. No. 226/1, 5/B & 226/8, Block No. 231, Village-Sachin, Sub. Dist. Choryasi, Dist. Surat, Gujarat, 394210 ii) Flat No. A-402, 4th Floor, Oasis Palms Laurel Building, Near Lotus Aura, Opp. Mirch Masala, Sama Savli, Sama-Savali



Name of Lender	Purpose	Sanctioned Amount	Rate of Interest p.a.	Monthly Instalment	Outstanding amount as on March 31, 2024 (as per Books)	Security offered
						Road, Vemali, Vadodara, Gujarat, 390024 3. Unconditional and Irrevocable Personal Guarantee of below guarantors till the tenure of the facility: a) Malhar P Desai b) Hina Pramodchandra Naik c) Pankaj Pruthu Desai d)Indiraben Pruthubhai Desai e)Samarth Pankaj Desai f) Amulyakumar Jena 4. Life Insurance Policies 5. CGTMSE Guarantee applicable till the tenure of the facility
<b>Total</b>					<b>286.88</b>	

**Details of Unsecured Borrowings:**

(₹ in Lakhs)

Name of Lender	Purpose	Securities offered	Rate of Interest	Monthly Instalment	Outstanding amount as on (as per Books)
					March 31, 2024
ICICI Bank	Working Capital	NA	15%	2.27	41.65
Axis Bank Ltd.	Working Capital	NA	14%	2.05	51.41
Hina Desai	Working Capital	NA	NA	NA	7.70
Indira P. Desai	Working Capital	NA	NA	NA	18.73
<b>Total</b>					<b>119.49</b>

\* As certified by our Statutory Auditors by their certificate dated September 26, 2024.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

March 31, 2024, 2023 and 2022 is based on, and should be read in conjunction with, our Restated Financial Statements, including the schedules, notes and significant accounting policies thereto, included in the chapter titled "Restated Financial Statements" beginning on page 220 of this Draft Red Herring Prospectus. Our Restated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our financial statements are prepared in accordance with AS.

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Draft Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page 36 of this Draft Red Herring Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Desco Infratech Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Financial Statements" for the financial years ended March 31, 2024, 2023 and 2022 included in this Draft Red Herring Prospectus beginning on page 220 of this Draft Red Herring Prospectus.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### BUSINESS OVERVIEW

Our Company was originally incorporated on January 19, 2011 under the name "Desco Infratech Private Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat. Subsequently, the status of the Company was changed to public limited Company and the name of our Company was changed to "Desco Infratech Limited" vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting of our Company held on June 01, 2024. The fresh certificate of incorporation consequent to conversion was issued on July 26, 2024 by Central Processing Centre. The Corporate Identification Number of our Company is U45201GJ2011PLC063710.

Our Company is engaged in providing infrastructure and maintenance services to city gas distribution divisions in India. We engage in activities such as pipeline laying, installation, testing, erection and commissioning for Piped Natural Gas (PNG) utilized by both domestic and commercial users. Our Operation and Maintenance services ("O&M Services") encompass both underground and above ground gas pipeline work for carbon steel and MDPE pipelines. As part of our O&M Services, we conduct lock pressure and leak detection tests on MDPE pipelines to identify leaks and prevent significant natural gas losses and potential accidents resulting from these leaks. We maintain client dedicated emergency response vehicles designed to detect leaks and deter unauthorized access, addressing potential hazards proactively. When a situation arises, a specialized team comprising an engineer, technicians and support staff is mobilized to the location. This team takes safe and immediate action to assess the situation and implement necessary measures, ensuring a quick operational recovery and minimizing any uninterrupted gas supply.

Our Company has recently begun offering services in the power division, focusing on the installation, connectivity, commissioning, and erection of Low Tension (LT) and High Tension (HT) cables. These services ensure efficient power transmission and distribution across industrial, commercial, and residential applications. In the month of January, 2024, we received our first order for the installation, connectivity and commissioning of High Tension (HT) cables in Gujarat. For further details on our key events, please see "History and Certain Corporate Matters- Major Events in the History of our Company" on page 187 of this Draft Red Herring Prospectus.

We have successfully executed and are currently executing projects across various states of Gujarat, Haryana, Uttar Pradesh and Punjab. We acquire projects through transparent competitive bidding process undertaken by the governments institutions, public sector undertakings and other private institutions. For further details on our current and completed projects, please see "Our Business – Our Major Projects" as disclosed in this chapter below.

We attribute our growth of multiple projects implementation to the able leadership and guidance of Mr. Pankaj Pruthi Desai (Promoter, Chairman and Managing Director), Mr. Malhar P Desai (Promoter, Whole Time Director), Mr. Samarth Pankaj Desai (Promoter, Executive Director) and a dedicated qualified team of professionals of the Company. Mr. Pankaj

Pruthu Desai has an overall entrepreneurial experience of more than 18 years in city gas distribution & pipeline industry. Mr. Pankaj Pruthu Desai has played a key role in formulating policies, procedures and devising organizational development plans. His leadership skills, business understanding, expertise and significant experience are instrumental for the growth of our business. His vision has helped the Company to identify opportunities well in time.

Mr. Malhar P Desai looks after the daily operations, tender bid applications and finance in the Company and has over 8 years of working experience with our Company. Mr. Samarth Pankaj Desai looks after the responsibility of human resource department, ensuring project compliances and other administrative tasks in the Company and has over 6 years of working experience with our Company. For further details of our promoters and our management, please see chapters titled “Our Promoters and Promoter Group” and “Our Management” on page 211 and 196 of this Draft Red Herring Prospectus.

Our commitment to quality is evident in our systems, which have been accredited with management system certificate for compliance with ISO 9001:2015. Recognizing the importance of adhering to stringent compliance and quality standards mandated by our clients, we undertake regular system checks and are also subjected to client audits, third-parties/ project management companies commissioned by our clients to ensure the quality as per specific assigned projects.

### Key Performance Indicators of our Company

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	For the Financial Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations <sup>(1)</sup>	2,939.31	2,922.21	1,985.19
EBITDA <sup>(2)</sup>	555.90	219.32	165.77
EBITDA Margin (%) <sup>(3)</sup>	18.91%	7.51%	8.35%
PAT	345.80	122.72	82.51
PAT Margin (%) <sup>(4)</sup>	11.76%	4.20%	4.16%
Return on Equity (%) <sup>(5)</sup>	28.86%	24.37%	21.43%
Debt to Equity Ratio (times) <sup>(6)</sup>	0.34	1.15	0.80
Current Ratio (times) <sup>(7)</sup>	2.08	1.47	1.59

**Notes:** As certified by our Statutory Auditors by their certificate dated September 26, 2024.

#### Explanation of KPIs:

- (1) Revenue from operations means the revenue from operations as appearing in the restated financial information.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses-Other Income.
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- (4) PAT Margin is calculated as PAT for the year divided by revenue from operations.
- (5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity.
- (6) Debt to Equity ratio is calculated as Total Debt divided by equity.
- (7) Current Ratio is calculated by dividing Current Assets to Current Liabilities.

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to the chapter titled “Restated Financial Statements” beginning on page 220 of this Draft Red Herring Prospectus.

### SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024

In the opinion of the Board of Directors of our Company, since the date of the financial period as disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

1. The Shareholders of our Company has approved to increase the authorised share capital in their meeting held on September 25, 2024.
2. Our Board of Directors pursuant to a resolution dated April 06, 2024 and shareholders pursuant to special resolution dated April 30, 2024 have approved the issuance of 11,569 Equity Shares pursuant to private placement basis.
3. Our Board of Directors pursuant to a resolution dated August 13, 2024 and shareholders pursuant to special resolution dated August 20, 2024 have approved the issuance of 23,209 Equity Shares pursuant to private placement basis.

4. Our Board of Directors pursuant to a resolution dated September 24, 2024 and shareholders pursuant to a resolution dated September 25, 2024 have approved the issuance of 53,13,452 Bonus Equity Shares in the ratio of 17 equity shares for every one existing fully paid-up Equity Shares held.
5. The Shareholders of our Company approved proposal of Board of Directors to raise funds through initial public offering in the EOGM held on September 26, 2024.

## **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 36 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Any slowdown or shutdown in our operations;
- Fluctuations in the costs of labour, equipment, and interest rates.
- Failure to acquire new consumers or retain existing customers or fail to do so in a cost-effective manner;
- Inability to accurately manage our inventory, this may adversely affect our goodwill and business, financial condition and results of operations;
- Our ability to attract and retain qualified personnel;
- Orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations;
- Conflict of interests between our Company and other venture or enterprises promoted by our promoter or directors;
- Volatility of loan interest rates and inflation;
- Natural calamities, climate change and health epidemics could adversely affect the Indian economy and our business, financial condition, and results of operations;
- Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, financial condition and results of operations;
- A slowdown in economic growth in India could cause our business to suffer;
- Expanding into new states or business segments
- Fraud or improper employee conduct.
- Our inability to maintain or improve our brand image;
- Global economic conditions which may have an adverse effect on our business, financial condition, results of operations and prospects.

## **RESULTS OF OUR OPERATION**

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements of our Company for the financial years ended on 2024, 2023 and 2022:

(₹ in Lakhs)

Particulars	For The Year Ended 31st March					
	2024	% of Total Revenue	2023	% of Total Revenue	2022	% of Total Revenue
Revenue:						
Revenue from operations	2,939.31	99.66%	2,922.21	99.80%	1,985.19	99.68%
Other income	10.17	0.34%	6.00	0.20%	6.32	0.32%
<b>TOTAL INCOME</b>	<b>2,949.47</b>	<b>100.00%</b>	<b>2,928.21</b>	<b>100.00%</b>	<b>1,991.51</b>	<b>100.00%</b>
Expenses:						
(a) Cost of Material Consumed	1,402.52	47.55%	1,789.07	61.10%	1,057.00	53.08%
(b) Purchase of stock-in-trade	-	-	-	-	-	-
(c) Increase/Decrease in Stock in trade	-	-	-	-	-	-
(d) Employee benefits expense	758.33	25.71%	750.99	25.65%	609.60	30.61%
(e) Finance costs	52.43	1.78%	36.57	1.25%	37.93	1.90%
(f) Depreciation and amortisation expense	15.73	0.53%	14.83	0.51%	13.82	0.69%
(g) Other expenses	222.54	7.55%	162.83	5.56%	152.82	7.67%
<b>TOTAL EXPENSES</b>	<b>2,451.56</b>	<b>83.12%</b>	<b>2,754.29</b>	<b>94.06%</b>	<b>1,871.18</b>	<b>93.96%</b>
<b>Profit before exceptional, extraordinary and prior period items and tax</b>	<b>497.91</b>	<b>16.88%</b>	<b>173.92</b>	<b>5.94%</b>	<b>120.33</b>	<b>6.04%</b>
Less: Exceptional / Extraordinary/ Prior period items	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>497.91</b>	<b>16.88%</b>	<b>173.92</b>	<b>5.94%</b>	<b>120.33</b>	<b>6.04%</b>
Tax expenses:						
(a) Current tax expense	151.61	5.14%	55.38	1.89%	32.91	1.65%
(b) Deferred tax expense / (benefit)	0.50	0.02%	(4.18)	-0.14%	4.91	0.25%
<b>Profit / (Loss) for the year</b>	<b>345.80</b>	<b>11.72%</b>	<b>122.72</b>	<b>4.19%</b>	<b>82.51</b>	<b>4.14%</b>

**Review of Restated Financials,****Key Components of Company's Profit and Loss Statement**

**Revenue from operations:** Revenue from operations mainly consists of revenue from City Gas Distribution Network Projects and Power Segment Projects.

**Other Income:** Other Income Consist of Interest Income, Discount Received & Other Misc. Income.

**Expenses:** Company's expenses consist of, Cost of Material Consumed,, Depreciation Expenses, Employee Benefit Expenses, Finance Cost & Other Expenses.

**Cost of Material Consumed:** Cost of Material Consumed consist of Opening Stock, Purchase of Raw Material, Direct Expenses & Closing Stock.

**Employee Benefits Expense:** Employee benefit expenses includes Salaries and Wages, Contribution to Statutory Funds, Gratuity Expenses etc.

**Finance Cost:** Finance Cost includes Interest paid on borrowings & Bank Charges.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a SLM Basis as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

**Other Expenses:** Other expenses include Rent, Repair & Maintenance, Travelling & Conveyance etc.

## **FISCAL 2024 COMPARED WITH FISCAL 2023**

### **Revenue from Operation**

Revenue from operations in FY 2023-24 was ₹ 2,939.31 lakhs as compared to ₹ 2,922.21 lakhs in FY 2022-23 indicating a growth by 0.59%. The company primarily deals in setting up of City Gas Distribution Services. However, in FY 2023-24, the company forayed its operations into Power Segment projects. The revenue spilt in FY 2022-23 and FY 2023-24 are as follows:

<b>Particulars</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>
City Gas Distribution Projects	2,854.17	2,922.21
Power Segment Projects	85.14	-
<b>Revenue from Operations</b>	<b>2,939.31</b>	<b>2,922.21</b>

### **Other Income**

Other Income in FY 2023-24 amounts to ₹ 10.17 Lakhs the same was ₹ 6.00 lakhs in FY 2022-23. Other Income is higher during FY 2023-24 due to some sundry balances written off during the year amounting to ₹ 5.16 lakhs.

### **Cost of Material Consumed**

Cost of Material Consumed consist of Opening Stock of Raw Material, Purchase of Raw Material, Direct Expenses & Closing Stock of Raw Material. Cost of Material Consumed had decreased by 21.61% from ₹ 1,789.07 lakhs in FY 2022-23 to ₹ 1,402.52 lakhs in FY 2023-24. This decrease was due to higher closing inventories of Raw materials during the year. Expectation of new orders were the main driving force where the company had to keep inventory in hand to meet the additional demand from customers as well execute new orders

### **Employee Benefit Expenses**

Employee benefit expenses has increased marginally by 0.98% from ₹ 750.99 lakhs in FY 2022-23 to ₹ 758.33 lakhs in FY 2023-24. This increase was due to increase in salaries and wages during FY 2023-24.

### **Finance Cost**

Finance Cost has increased by 43.37% from ₹ 36.57 lakhs in FY 2022-23 to ₹ 52.43 lakhs in FY 2023-24. This is due to increase in long term borrowings during the year.

### **Depreciation and Amortization Expenses**

Depreciation has increased by 6.07% from ₹ 14.83 lakhs in FY 2022-23 to ₹ 15.73 lakhs in FY 2023-24. The company changed the method of depreciation from WDV to SLM basis. Depreciation increased as the company made additions to their fixed assets during FY 2023-24.

### **Other Expenses**

Other expenses have decreased by 36.67% from ₹ 162.83 lakhs in FY 2022-23 to ₹ 222.54 lakhs in FY 2023-24.

### **Tax Expenses**

The Company's total tax expenses have increased from ₹ 51.20 lakhs in FY 2022-23 to ₹ 152.11 lakhs in FY 2023-24. Increase in profits have attracted more tax liability during FY 2023-24.

### **Profit After Tax**

Profit after Tax in FY 2023-24 was ₹ 345.80 lakhs as compared to ₹ 122.72 lakhs in FY 2022-23. Since the revenue grew only marginally by 0.59%, the company spent relatively less on subcontract charges in FY 2023-24 which stood at ₹ 1054.90 lakhs as compared to ₹ 1533.29 lakhs in FY 2022-23. The percentage of Cost of Materials consumed during FY 2023-24 as a % of Total revenue was 47.55% as compared to 61.10% in FY 2022-23. This led to expansion of margins during FY 2023-24. . Also, some projects like Selan Exploration Technology Ltd, Maharashtra natural gas Limited & few more helped in earning a good margin as compared to our regular projects.

## **FISCAL 2023 COMPARED WITH FISCAL 2022**

### ***Revenue from Operation***

Revenue from operations in FY 2022-23 was ₹ 2,922.21 lakhs as compared to ₹ 1,985.19 lakhs in FY 2021-22 indicating a growth by 47.20%. The company primarily deals in setting up of City Gas Distribution Services. Operations in FY 2021-22 were subdued due to the impact of Covid-19. In FY 2022-23, the economy saw a rapid growth in industrialization which led to the company secure new orders and more order inflow from existing customers. The company took up more operations & maintenance projects which led to increase in revenue from ₹ 995.64 to ₹ 1,656.22 in O&M.

### ***Other Income***

Other Income in FY 2022-23 amounted to ₹ 6.00 lakhs the same was ₹ 6.32 lakhs in FY 2021-22. Other Income marginally decreased during FY 2022-23.

### ***Cost of Material Consumed***

Cost of Material Consumed had increased by 69.26 % from ₹ 1,057.00 lakhs in FY 2021-22 to ₹ 1,789.07 lakhs in FY 2022-23. This increase was due to increase in purchases and direct expenses during the year.

### ***Employee Benefit Expenses***

Employee benefit expenses has increased by 23.19 % from ₹ 609.60 lakhs in FY 2021-22 to ₹ 750.99 lakhs in FY 2022-23. This increase was due to increase in salaries and wages during FY 2022-23.

### ***Finance Cost***

Finance Cost has decreased by 3.59 % from ₹ 37.93 lakhs in FY 2021-22 to ₹ 36.57 lakhs in FY 2022-23. This marginal increase was primarily due to increase in Interest on borrowings during the year.

### ***Depreciation and Amortization Expenses***

Depreciation has increased by 7.31% from ₹ 13.82 lakhs in FY 2021-22 to ₹ 14.83 lakhs in FY 2022-23. The company changed the method of depreciation from WDV to SLM basis. Depreciation increased as the company made additions to their fixed assets during FY 2023-24.

### ***Other Expenses***

Other expenses have increased by 6.55 % from ₹ 152.82 lakhs in FY 2021-22 to ₹ 162.83 lakhs in FY 2022-23.

### ***Tax Expenses***

The Company's total tax expenses have increased from ₹ 37.82 lakhs in FY 2021-22 to ₹ 51.20 lakhs in FY 2022-23. Increase in profits have attracted more tax liability during FY 2022-23.

### ***Profit After Tax***

Profit After Tax and PAT margin (as a % to Total Revenue) in FY 2022-23 was ₹ 122.72 lakhs and 4.19% as compared to ₹ 82.51 lakhs and 4.14% in FY 2021-22. Subcontract charges are a crucial component of the company's expenses and due to Covid-19, the labour and material were expensive comparatively. During FY 2022-23 the company spent ₹ 1533.29 lakhs on subcontract charges as compared to ₹ 860.61 lakhs in FY 2021-22. Flow of new orders in FY 2022-23 also required the company to spend more on purchases of raw material and incur more direct expenses as compared to FY 2021-22.

## CASH FLOWS

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Cash from Operating Activities	(27.64)	(169.30)	34.10
Net Cash from Investing Activities	(80.43)	(72.06)	(19.99)
Net Cash from Financing Activities	126.44	238.81	(25.67)

### **Cash Flows from Operating Activities**

#### **For the financial year ended March 31, 2024**

Our net cash used from operating activities was ₹ (27.64) lakhs for the financial year ended March 31, 2024. Our operating profit before working capital changes was ₹ 497.91 lakhs for the financial year ended March 31, 2024 which was primarily adjusted against income tax of ₹ (61.77) lakhs, increase in trade receivables ₹ (75.16) lakhs, increase in inventory by ₹ (48.26) lakhs, increase in loans and advances by ₹ (58.04) lakhs, increase in other current assets ₹ (20.36) lakhs, decrease in trade payables ₹ (357.80) lakhs and increase in other current liabilities by ₹ 66.23 lakhs.

#### **For the financial year ended March 31, 2023**

Our net cash used from operating activities was ₹ (169.30) lakhs for the financial year ended March 31, 2023. Our operating profit before working capital changes was ₹ 173.92 Lakhs for the financial year ended March 31, 2023 which was primarily adjusted against income tax of ₹ (59.04) lakhs, increase in trade receivables ₹(690.34) lakhs, increase in trade payables ₹ 436.03 Lakhs and increase in other current liabilities by ₹ 48.04 lakhs.

#### **For the financial year ended March 31, 2022**

Our net cash used from operating activities was ₹ (34.10) lakhs for the financial year ended March 31, 2022. Our operating profit before working capital changes was ₹ 120.33 Lakhs for the financial year ended March 31, 2022 which was primarily adjusted against income tax of ₹ (44.44) Lakhs, increase in trade receivables ₹ (18.83) lakhs, increase in inventories by ₹ (1.87) lakhs, increase in loans & advances ₹ (99.74) lakhs, increase in other current assets ₹ (15.48) lakhs, decrease in trade payables by ₹(4.55) lakhs and increase in other current liabilities by ₹ 36.10 lakhs.

### **Cash Flows from Investment Activities**

#### **For the financial year ended March 31, 2024**

Our net cash flow from investing activities was ₹ (80.43) lakhs. This was mainly on account of Purchase of fixed assets of ₹ (67.15) lakhs and capital advances of ₹ (24.12) lakhs, sale of fixed assets of ₹ 5.91 lakhs, and the company received interest income of ₹ 4.93 lakhs.

#### **For the financial year ended March 31, 2023**

Our net cash flow from investing activities was ₹ (72.06) lakhs. This was mainly on account of Purchase of fixed assets of ₹ (17.99) lakhs and capital advances of ₹ (58.95) lakhs, sale of fixed assets of ₹ 2.00 lakhs, and the company received interest income of ₹ 2.88 lakhs.

#### **For the financial year ended March 31, 2022**

Our net cash flow from investing activities was ₹ (19.99) lakhs. This was mainly on account of Purchase of fixed assets of ₹ (21.92) lakhs and the company received interest income of ₹ 1.93 lakhs.

### **Cash Flows from Financing Activities**

#### **For the financial year ended March 31, 2024**

Our net cash flow from financing activities was ₹ 126.44 lakhs. This was on account of proceeds from issue of share capital and securities premium amounting to ₹ (349.88) lakhs, repayment of short term borrowings of ₹ (58.61) lakhs, repayment of long term borrowings ₹ (116.01) lakhs and interest paid ₹ (38.99) lakhs.

#### **For the financial year ended March 31, 2023**



Our net cash flow from financing activities was ₹ 238.81 lakhs. This was on account of proceeds of long term and short term borrowings of ₹ 140.56 lakhs and ₹ 131.62 lakhs respectively and interest paid of ₹ (32.03) lakhs.

#### **For the financial year ended March 31, 2022**

Our net cash flow from financing activities was ₹ (25.67) lakhs. This was on account of proceeds from short term borrowings of ₹ 74.76, repayment of long term borrowings of ₹ (65.85) lakhs and interest paid of ₹ (31.90) lakhs.

#### **RELATED PARTY TRANSACTIONS**

Related party transactions with certain of our promoter, directors and their entities and relatives primarily relate to remuneration, salary, commission and issue of Equity Shares. For further details of related parties kindly refer chapter titled “*Restated Financial Statements*” beginning on page 220 of this Draft Red Herring Prospectus.

#### **OFF-BALANCE SHEET ITEMS**

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

#### **QUALIFICATIONS OF THE STATUTORY AUDITORS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS**

There are no qualifications in the audit report that require adjustments in the Restated Financial Statements.

#### **QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

##### ***Financial Market Risks***

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

##### ***Interest Rate Risk***

Our financial results are subject to changes in interest rates, which may affect our debt service obligations in future and our access to funds.

##### ***Effect of Inflation***

We are affected by inflation as it has an impact on the salary, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

##### ***Credit Risk***

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

#### **OTHER MATTERS**

##### **Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled “*Restated Financial Statements*” beginning on page 220 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

##### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last three Fiscals.

### **Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, during the period/ years under review there have been no transactions or events, which in our best judgment, would be considered “unusual” or “infrequent”.

### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations. There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except as described in chapter titled “*Risk Factors*” beginning on page 36 of this Draft Red Herring Prospectus.

### **Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on page 36 and 261 of this Draft Red Herring Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### **Future relationship between Costs and Income**

Other than as described in the section titled “*Risk Factors*” beginning on page 36 of this Draft Red Herring Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

### **The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Changes in revenue in the last three financial years are as explained in the part “*Financial Year 2023-24 compared with financial year 2022-23 and Financial Year 2022-23 compared with financial year 2021-22*” above.

### **Significant dependence on a single or few Suppliers or Customers**

The percentage of contribution of our Company’s Top Customers & Suppliers have been mentioned under para “*Our Major Customer/Suppliers*” in the chapter titled “*Our Business*” on page 143 of this Draft Red Herring Prospectus.

### **Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page 143 of this Draft Red Herring Prospectus for new products or business segments.

### **The extent to which the business is seasonal**

Our business is seasonal in nature as operations may be affected during the monsoon season.

### **Competitive Conditions**

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, reliability and competitive pricing is the deciding factor in most cases. We face fair competition from both organized and unorganized players in the market.

We believe that our experience, and reliability record with our customers will be key to overcome competition posed by such organized and unorganized players. Although, a competitive market, there are not enough number of competitors offering services similar to us. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the services.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Red Herring Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this DRAFT RED HERRING PROSPECTUS; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Red Herring Prospectus:

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 5% of the Net Sales or 10% of the net worth of the Company whichever is lower, based on the consolidated audited financial statements of the Company for the immediately preceding Financial Year or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at <https://descoinfra.co.in/>
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

### **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES:**

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

##### **1) Litigation involving Criminal Laws**

##### **Original Matter:**

- 1. M/s. Gujarat Gas Limited, Gandhinagar; 2. Gujarat Gas Limited (GSPC Group Company- Govt. of Gujarat Undertaking) (Avdhesh House, Opp. Gurudwara, Ahmedabad); 3. Gujarat Gas Limited (GSPC Group**

**Company- Govt. of Gujarat Undertaking (Nr. Parimal Garden, Ellisbridge, Ahmedabad); 4. M/s. Chintamani Associates (Udhna Magdalla Road, Surat); 5. Jyakashan Engineers (150 ft. Ring Road, Kalwad Road, Rajkot); 6. M/s. New Horizone, (Navrangpura, Ahmedabad); 7. M/s. Desco Infratech Private Limited (Bhatar Road, Surat); 8. M/s. BJ Patel & Co. (Raghuvir Oil Mill, Jamnagar Road, Rajkot); 9. M/s. P.D. Construction (Tithal Road, Valsad)(Proposed party in main reference); (Parties 1 to 9 herein collectively referred to as the First Party)**

**Versus**

**Operation and Maintenance Mazdoor Sangh, Valsad (Hereinafter referred to as the Second Party)  
Complaint (C.G.I.T.A) No. 44/2022; (Reference No. L-30011/15/2022-IR (M)  
Complaint under Section 33A of the Industrial Disputes Act, 1947 filed and pending before the Hon'ble Presiding Officer, Central Government Industrial Tribunal -cum Labour Court at Ahmedabad**

The General Secretary, Operation and Maintenance Mazdoor Sangh, raised an industrial dispute on behalf of its members with respect to 10 charter demands in respect of regularization of connected workmen and further demanding equal pay for equal works along with other demands in respect of facilities available to regular employees under the provisions of the Industrial Disputes Act, 1947, before the Assistant Labour Commissioner (Central), Ahmedabad and conciliation officer, which was ended in failure of conciliation and the Assistant Labour Commissioner (Central).

The Second party in its charter demands claimed that the first party Gujarat Gas Limited is an industry in terms of Industrial Disputes Act and all labour laws, including Provident Fund and Miscellaneous Provisions Act, ESI Act, Payment of Bonus Act, Payment of Gratuity Act etc are applicable the first party employer.

The dispute raised by the second party herein is that the connected workers have been engaged by the first party employer herein on contract basis, through its agents / contractors i.e. first party no. 4 to 8 at the time of filing of the dispute, and have been working with the employer since many years on its different operations and that their services has remained continued despite change in contract. However as alleged, they are being paid wages less than the minimum wages declared by the competent authority under the Minimum wages Act, 1948. Further as alleged, the first party employer no. 1 to 3 have deliberately distinguished between few persons who have been engaged as permanent employees and other people numbering around 1000 in numbers, engaged on contract basis with lower wages and minimal facilities. Thus alleging the first party employer of having involved in unfair labour practice in terms of Industrial Disputes Act, 1947, the second party raised the instant dispute, demanding for providing equal rights and facilities to the labour engaged on contractual basis and the same is pending.

#### **Connected Matters:**

- c. Operation and Maintenance Mazdoor Sangh, Valsad (Hereinafter referred to as the Complainant) V/s. 1. M/s. Gujarat Gas Limited, Gandhinagar; 2. Gujarat Gas Limited (GSPC Group Company- Govt. of Gujarat Undertaking) (Avdhesh House, Opp. Gurudwara, Ahmedabad); 3. Gujarat Gas Limited (GSPC Group Company- Govt. of Gujarat Undertaking) (Nr. Parimal Garden, Ellisbridge, Ahmedabad); 4. M/s. Chintamani Associates (UdhnaMagdalla Road, Surat); 5. Jyakashan Engineers (150 ft. Ring Road, Kalwad Road, Rajkot); 6. M/s. New Horizone, (Navrangpura, Ahmedabad); 7. M/s. Desco Infratech Private Limited (Bhatar Road, Surat); 8. M/s. BJ Patel & Co. (Raghuvir Oil Mill, Jamnagar Road, Rajkot); 9. M/s. P.D. Construction (Tithal Road, Valsad)(Proposed party in main reference); (Parties 1 to 9 herein collectively referred to as the Opponents and individually as Opponent no. 1,2,3, 4, 5, 6, 7, 8 & 9 respectively)  
Complaint (C.G.I.T.A) No. 01/2024; Complaint under Section 33A of the Industrial Disputes Act, 1947 filed and pending before the Hon'ble Presiding Officer, Central Government Industrial Tribunal -cum Labour Court at Ahmedabad**

As claimed, Complainant herein is a registered trade union under the Trade Union's Act, 1926 and had raised an industrial dispute before the Hon'ble Industrial Tribunal vide reference no. 44/2022 for regularization of concern workmen working with the Opponent no.1 establishment through opponent no. 4 to 9 (hereinafter collectively referred to as the contractors).

The Opponent has further claimed that when the dispute vide reference no. 44/2022 (hereinafter referred to as the Original Dispute) has been raised by the Complainant herein and that the statement of claim and interim relief (stay) application has been filed before the Hon'ble Tribunal, the opponents are under legal obligation to maintain status-quo regarding service conditions of concern and connected workmen of the original dispute. Further as mentioned by the Complainant, the Hon'ble Tribunal had vide its order dated December 27, 2023, directed the opponents not to

make any change in the conditions of services of the concern workmen without following mandatory procedure prescribed under Section 33 of the Industrial Disputes Act, 1947 and the same is claimed to have been duly accepted by the opponents herein.

However as alleged, the opponents establishments, jointly and severally have illegally and arbitrarily terminated services of the concerned and connected workmen of the original dispute on January 01, 2024, without issuing any notice or making payment for notice pay or retrenchment compensation at the time of termination of their services. The opponents have further been alleged of neither filing any kind of approval application nor any kind of permission application before the Hon'ble Tribunal, which is said to be mandatory in nature according to Section 33 of the Industrial Disputes Act, 1947.

Further citing the decision of the Constitutional Bench of the Hon'ble Supreme Court in case of Jaipur Jilla Vikas Bhoomi Bank Ltd. V/s. Ram Gopal Verma and Others, complainant claims that the concerned and connected workmen's services are required to be treated as continued as if the services have never been terminated and hence challenged the impugned action of the opponents in discontinuing the services of the concerned and connected workmen w.e.f. January 01, 2024.

Thus disputing the termination of the concerned and connected workmen by the Opponent establishments and requiring the Hon/ble Tribunal for issuing directions for re-instatement of the workers so terminated, the complainant herein filed the instant complaint and the same is pending.

- d. Operation and Maintenance Mazdoor Sangh, Valsad (Hereinafter referred to as the Petitioner) V/s. 1. Union of India, Through The Secretary; 2. Central Government of Industrial Tribunal, Ahmedabad; 3. M/s. Gujarat Gas Limited, Gandhinagar; 4. Gujarat Gas Limited (GSPC Group Company- Govt. of Gujarat Undertaking) (Avdresh House, Opp. Gurudwara, Ahmedabad); 5. Gujarat Gas Limited (GSPC Group Company- Govt. of Gujarat Undertaking) (Nr. Parimal Garden, Ellisbridge, Ahmedabad); 6. M/s. Chintamani Associates (UdhnaMagdalla Road, Surat); 7. Jyakashan Engineers (150 ft. Ring Road, Kalwad Road, Rajkot); 8. M/s. New Horizons, (Navrangpura, Ahmedabad); 9. M/s. Desco Infratech Private Limited (Bhatar Road, Surat); 10. M/s. B.J. Patel & Co. (Raghuvir Oil Mill, Jamnagar Road, Rajkot); 11. M/s. P.D. Construction**  
*Special Civil Application No. 10565/2024 and 10941/2024 filed and pending with the Hon'ble High Court of Gujarat, ahmedabad.*

In continuation of the Complaint no. 01/2024, wherein complaint with respect to unlawful termination of the concerned / connected workmen, the presiding officer of the learned CGIT has resigned and left which has created vacancy at CGIT which delayed in adjudication, thus rendering the 18 workmen becoming remediless and forced to wait for the appointment of new presiding officer. Thus considering the respondent no. 1 to be the appropriate authority which can help such workmen by transferring such cases to the Industrial Tribunal of Gujarat state, the petitioner herein filed the instant petition and the same is pending

**Other pending matters:**

- 2. Labour Enforcement Officer (Petitioner) V/s. M/s. Desco infratech Private Limited (Respondent)**  
*Case No. 1706/2023 filed u/s. 42(3) of the BOCW (Regulation of employment and Conditions of service) Act, 1996. As per disposal status, the case has been disposed by the Labour Court and has been referred to the Lok Adalat due to uncontested.*

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

#### 4) Litigation involving Tax Liability

##### Indirect Tax:

##### M/s. Desco Infratech Private Limited:-

Sr. No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
1.	<u>M/s. Desco Infratech Private Limited</u> 29AADCD6994L1ZU (Karnataka)	Commercial Tax Officer LGSTO 120 – Bengaluru , DGSTO-3, Bengaluru , Karnataka	Intimation in the Form GST DRC -01A Reference No.ZD290324015357 F dated March 06, 2024  SCN in the Form GST DRC -01 Reference No. ZD290324022815E dated March 11, 2024  Order in the Form GST DRC-07 Reference No. :ZD2908240712818 dated August 20, 2024  Case ID AD290324009509Z Period: FY 2019-20	Intimation of tax liability u/s 73(5)due to turnover declared in GSTR 3B is less as compared to that declared by TDS Authority  Followed by Show Cause Notice u/s 73  Followed by Order for creation of Demand u/s 73 of KGST Act, 2017	Total Liability: Rs. <b>31,48,086/-</b> (Tax: Rs.17,10,764/- , Interest: Rs.14,17,322/- & Penalty: Rs. 20,000/-)	Order for creation of demand issued
2.	<u>M/s. Desco Infratech Private Limited</u> 24AADCD6994L1Z4 (Gujarat)	Assistant Commissioner Ghatak 5 (Ahmedabad): Range - 2:Division - 1:Gujarat	SCN in the Form GST DRC -01 Reference No. ZD240923035332N dated September 27, 2023  Order in the Form GST DRC-07 Reference No. ZD241223107841U dated December 29, 2023  Case ID AD240923019377Y Period: From July 2017 to March 2018	Show Cause Notice u/s 73 due to not declaring correct tax liability while filing GSTR -09  Followed by Order for creation of Demand u/s 73 of GGST Act, 2017	Total Liability: Rs. <b>13,02,208/-</b> (Tax: Rs.5,85,262/- , Interest: Rs.6,58,420/- & Penalty : Rs. 58,526/-)	The assessee herein has filed an appeal before the appellate authority vide Case ID no. AD2403241535961dated March 28, 2024 and the same is pending.
3	<u>M/s. Desco Infratech Private Limited</u> 24AADCD6994L1Z4 (Gujarat)	Assistant Commissioner Ghatak 5 (Ahmedabad):Range - 2:Division - 1:Gujarat	SCN in the Form GST DRC -01 Reference No. ZD2412231016612 dated December 28, 2023  Order in the Form GST DRC-07 Reference No. ZD240424054963B	Show Cause Notice u/s 73due to not declaring correct tax liability while filing GSTR -09  Followed by Order for creation of	Total Liability: Rs. <b>4,18,122 /-</b> (Tax: Rs. 1,98,952 /- , Interest: Rs. 1,99,170/- & Penalty : Rs. 20,000/-)	The assessee herein has filed an appeal before the appellate authority vide Case ID no. AD2407240088723 July 16, 2024 and

Sr. No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
			dated April 22, 2024  Case ID AD241223062175G Period: FY 2018-19	Demand u/s 73 of GGST Act, 2017		the same is pending.
4.	<u>M/s. Desco Infratech Private Limited</u>  24AADCD6994L1Z4  (Gujarat)	State Tax Officer Ghatak 5 (Ahmedabad):Range - 2:Division - 1:Gujarat	Intimation in the Form GST DRC -01A Reference No. ZD2404240323104 dated April17, 2024  SCN in the Form GST DRC -01 Reference No. ZD2405241069389 dated May 29,2024  Order in the Form GST DRC-07 Reference No. : ZD2408241154499 dated August 31, 2024  Case ID AD240424026887W  Period: FY 2019-20	Intimation of tax liability u/s 73(5) after scrutiny of returns filed in Form-GSTR-3B, GSTR-01, GSTR-2A, GSTR-9 and E-Way Bill data  Followed by Show Cause Notice u/s 73  Followed by Order for creation of Demand u/s 73 of GGST Act,2017	Total Liability: Rs. <b>8,81,546</b> /- (Tax: Rs. 3,69,068/- , Interest: Rs. 4,75,571 /- & Penalty : Rs. 36,907 /-)	Order for creation of demand issued
6.	<u>M/s. Desco Infratech Private Limited</u>  24AADCD6994L1Z4  (Gujarat)	Joint Commissioner Circle – D , Jaipur II , AC /CTO Ward : Circle – D, Jaipur II , Jaipur II, Rajasthan	Intimation in the Form GST DRC -01A Reference No. ZD2404240323560 dated April17,2024  SCN in the Form GST DRC -01 Reference No. ZD240524107084T dated May 29,2024  Case ID AD240424026903A  Period: FY 2019-20	Intimation of tax liability u/s 74(5) after scrutiny of returns filed in Form-GSTR-3B, GSTR-01, GSTR-2A, GSTR-9 and E-Way Bill data  Followed by Show Cause Notice u/s 74	Total Liability: Rs. <b>10,74,010</b> /- (Tax: Rs. 3,78,260/- , Interest: Rs. 3,17,490/- & Penalty : Rs. 3,78,260/-)	The Company has filed detailed reply dated June 28, 2024 in the matter and the same pending for response from the concerned authority

#### Direct Tax:

##### a. Pending Liability in TDS:

As per details available on the TRACES an aggregate outstanding amount of Rs 1,35,724/- is determined to be paid from Previous years till 2023-24 against **M/s. Desco Infratech Limited** (hereinafter referred to as the “Assessee”) as default on account of short payment and short deduction of TDS and late filing fees u/s 234E Interest u/s 220 and 221 of the Income Tax Act. Although no action in respect of recovery of same has been taken

by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable

**5) Other Pending Litigation based on Materiality Policy of our Company**

1. Gujarat Mazdoor Sabha Through General Secretary Narendrabhai N Patel (Petitioner) V/S. 1. Government Of Gujarat; 2. Conciliation Officer and Dy Labour Commissioner; 3. Gujarat Gas Limited; 4. Gujarat Gas Limited; 5. Gurukrupa Engineering; 6. Sweta Sales Corporation; 7. Atul Fabricators; 8. Desco Infratech Pvt Ltd; 9. Shubham Construction (Parties 1 To 8 Collectively Referred To As Respondents And Individually As Respondent No. 1, 2, 3, 4, 5, 6, 7 & 8 Respectively)

*(Case No. Special Civil application no. 20234/2018 filed under the provisions of the Constitution of India and pending before the Hon'ble High Court of Gujarat)*

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

Indirect Tax: NIL

Direct Tax: NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**



**Indirect Tax:**

**Litigation related to indirect taxation in firms in which directors are partners/ proprietors**

Pankaj Pruthu Desai ( Trading as Desai Associates) (**Promoter cum Managing Director**):

Sr. No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
1.	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD7234E1ZP (Uttar Pradesh)	Deputy Commissioner Sector-3,Gautambudha Nagar , Gautambudha Nagar(B) , Gautambudha Nagar , Uttar Pradesh	Notice in the Form GST ASMT-10 Reference no. ZD090423089982U dated April 19,2023 SCN in the Form GST DRC -01 Reference No. ZD090923186184Y dated September 20,2023  Order in the Form GST DRC-07 Order No. : ZD091223686608 W dated December 31, 2023  Case ID : AD0904230416271 Period: FY 2017-18	Notice for intimating discrepancies in the return after scrutiny u/s 61 of SGST Act,2017  Show Cause Notice u/s 73 for determination of Tax not paid or short paid or erroneously refunded or ITC wrong availed or utilized  Followed by order for creation of demand u/s 73(9) of UPGST /CGST ACT 2017	Total Liability: Rs. <b>6,61,262/-</b> (Tax: Rs. 5,83,122.00/- , Interest: Up to date of deposit as per Provision of Section-50 & Penalty : Rs. 78,140.00/-)	Aggrieved by the Order the assessee has filed appeal to the Appellate Authority vide Acknowledgement No. AD090324148594U dated March 19 , 2024
2.	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD7234E1ZP (Uttar Pradesh)	Deputy Commissioner Sector-3,Gautambudha Nagar , Gautambudha Nagar(B) , Gautambudha Nagar , Uttar Pradesh	Notice in the Form GST ASMT-10 Reference no. ZD090123057889 W dated January 12, 2023  Case ID : AD0901230366191  SCN in the Form GST DRC -01 Reference No. ZD090524450421J dated May 31, 2024  Order in the Form GST DRC-07  Order No. : ZD090824238827R dated August 26, 2024	Notice for intimating discrepancies in the return after scrutiny u/s 61 of SGST Act,2017 Discrepancies are related to Claiming excess ITC in GSTR-3B as Compare to available in GSTR-2B/2A  Show Cause Notice u/s. 73 for Levy of interest under section 50 of the Act and Penalty due to discrepancies in the return GSTR 3B & GSTR 2A  Followed by order for creation of demand u/s 73(9) of	Total Liability: Rs. 2,87,420/- (Tax: Rs. 2,55,020.00/-, Interest: Up to date of deposit as per Provision of Section-50 & Penalty : Rs. 32,400.00/-)	Order for creation of demand has been issued but assessee has not paid yet

Sr . No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
			Period: FY 2019-20	UPGST /CGST ACT 2017		
3.	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD7234E1ZP (Uttar Pradesh)	Deputy Commissioner Sector-3,Gautambudha Nagar , Gautambudha Nagar(B) , Gautambudha Nagar , Uttar Pradesh	SCN in the Form GST DRC -01 Reference No. ZD090121010888H dated January 14, 2021  Case ID : AD090121007139I  Period: April 2020-September 2020	Show Cause Notice u/s 74 subject to excess ITC claimed in violation of Rule 36(4) for the period	Total Liability: Rs. <b>24,82,640/-</b> (Tax: Rs. 11,94,206/- , Interest: Rs. 94,228/- & Penalty : Rs. 11,94,206/-)	<u>The Assessee has filed detailed reply in the matter and the same pending for response from the concerned authority</u>
44	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD7234E1ZP (Uttar Pradesh)	Deputy Commissioner Sector-3,Gautambudha Nagar , Gautambudha Nagar(B) , Gautambudha Nagar , Uttar Pradesh	Notice in the Form GST ASMT-10 Reference no. ZD090122032247R dated January 25, 2022  Case ID : AD090122020971F  Period: FY 2020-21	Notice for intimating discrepancies in the return after scrutiny u/s 61 of SGST Act,2017 Discrepancies are related to showing less Tax Liability in GSTR -3B as compare to GSTR-1& Claiming excess ITC in GSTR-3B as Compare to available in GSTR-2B/2A	ITC Short paid: Rs. <b>3,99,594/-</b>  ITC Claimed in Excess in GSTR -3B Rs. <b>16,02,249/-</b>	The Assessee has filed detailed reply in dated February 07, 2022 in the matter and the same pending for response from the concerned authority
5.	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD7234E1ZP (Uttar Pradesh)	Deputy Commissioner Sector-3,Gautambudha Nagar , Gautambudha Nagar(B) , Gautambudha Nagar , Uttar Pradesh	Assessment Order in the Form GST ASMT-13 Reference no. ZD090821046987R dated August 28, 2021  Order in the Form GST DRC -07 Order No. : ZD090821046987R dated August 28, 2021  Case ID : AD0908210311584  Period: June 2021	Assessment Order u/s 62 for not filing GSTR-3B for June 2021 till the date of order  Followed by Order for creation of Demand u/s 62 of GGST Act, 2017	Total Liability: Rs. <b>9,08,432/-</b> (Tax: Rs. 9,00,000/- , Interest: Rs. 8,432/-)	Intimation has been made to the Assessee of Deemed Withdrawal of Assessment Order Order Date : September 11, 2021
6.	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u>	Deputy Commissioner Sector-3,Gautambudha Nagar , Gautambudha Nagar , Uttar Pradesh	SCN in the Form GST DRC -01 Reference No. ZD0909210255484 dated September 15, 2021	Show Cause Notice u/s 127 & 125 for imposing penalty due to violation of provision of sec 39 Of UPGST Act 2017for non filing	Total Liability: <b>Rs.50,000/-</b> (Penalty: CGST 25,000/- SGST 25,000/-)	<u>The Assessee has filed detailed reply in the matter and the same pending for response from</u>

Sr . No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
	09AAPPD7234E1ZP  (Uttar Pradesh)	dha Nagar(B) , Gautambudha Nagar , Uttar Pradesh	Case ID : AD0909210139611  Period: July 2021	GSTR – 3B For the month of July 2021		<u>the concerned authority</u>
7.	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD7234E1ZP (Uttar Pradesh)	Deputy Commissioner Sector-3,Gautambudha Nagar , Gautambudha Nagar (B) , Gautambudha Nagar , Uttar Pradesh	SCN in the Form GST DRC -01 Reference No. ZD090921051949S dated September 29,2021  Case ID : AD0909210280464  Period: August 2021	Show Cause Notice u/s 127 & 125 for imposing penalty due to violation of provision of sec 39 Of UPGST Act 2017for non filing GSTR – 3B For the month of August 2021	Total Liability: Rs.50,000/- (Penalty: CGST 25,000/- SGST 25,000/-)	The Assessee has filed detailed reply in the matter and the same pending for response from the concerned authority
8.	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD7234E1ZP (Uttar Pradesh)	Deputy Commissioner Sector-3,Gautambudha Nagar , Gautambudha Nagar(B) , Gautambudha Nagar , Uttar Pradesh	SCN in the Form GST DRC -01 Reference No. ZD0911210042814 dated November 09,2021  Case ID : AD091121001951L  Period: September 2021	Show Cause Notice u/s 127 & 125 for imposing penalty due to violation of provision of sec 39 Of UPGST Act 2017for non filing GSTR – 3B For the month of September 2021	Total Liability: Rs.50,000/- (Penalty: CGST 25,000/- SGST 25,000/-)	The Assessee has filed detailed reply in the matter and the same pending for response from the concerned authority
9.	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD7234E1ZP (Uttar Pradesh)	Deputy Commissioner Sector-3,Gautambudha Nagar , Gautambudha Nagar(B) , Gautambudha Nagar , Uttar Pradesh	Assessment Order in the Form GST ASMT-13 Reference no. ZD091221029558C dated December 16, 2021  Order in the Form GST DRC -07 Order No. : ZD091221029558C dated December 16, 2021  Case ID : AD091221018930E  Period: October 2021	Assessment Order u/s 62 for not filing GSTR-3B for October 2021 till the date of order  Followed by Order for creation of Demand u/s 62 of GGST Act, 2017	Total Liability: Rs. <b>5,16,496</b> /- (Tax: Rs. 5,09,958/- , Interest: Rs. 6,538/-)	Intimation has been made to the Assessee of Deemed Withdrawal of Assessment Order Order Date : January 07,2022
10	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u>	Deputy Commissioner Sector-3,Gautambudha	SCN in the Form GST DRC -01 Reference No. ZD0905220138389 dated May 07,2022	Show Cause Notice u/s 127 & 125 for imposing penalty due to violation of provision of sec 39	Total Liability: Rs.50,000/- (Penalty: CGST 25,000/- SGST 25,000/-)	The Assessee has filed detailed reply in the matter and the same

Sr . No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
	09AAPPD72 34E1ZP (Uttar Pradesh)	Nagar , Gautambu dha Nagar(B) , Gautambu dha Nagar , Uttar Pradesh	Case ID : AD090522006729 Y  Period: March 2022	Of UPGST Act 2017 for non filing GSTR – 3B For the month of March 2022		pending for response from the concerned authority
11	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD72 34E1ZP (Uttar Pradesh)	Deputy Commissio ner Sector- 3,Gautamb udha Nagar , Gautambu dha Nagar(B) , Gautambu dha Nagar , Uttar Pradesh	SCN in the Form GST DRC -01 Reference No. ZD0901230725679 dated January 17,2023  Case ID : AD090123044182I  Period: October 2022	Show Cause Notice u/s 127 & 125 for imposing penalty due to violation of provision of sec 39 Of UPGST Act 2017 for non filing GSTR – 3B For the month of October 2022	Total Liability: Rs.50,000/- (Penalty: CGST 25,000/- SGST 25,000/-)	The Assessee has filed detailed reply in the matter and the same pending for response from the concerned authority
12	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD72 34E1ZP (Uttar Pradesh)	Deputy Commissio ner Sector- 3,Gautamb udha Nagar , Gautambu dha Nagar(B) , Gautambu dha Nagar , Uttar Pradesh	SCN in the Form GST DRC -01 Reference No. ZD090123072590K dated January 17,2023  Case ID : AD090123044207E  Period: November 2022	Show Cause Notice u/s 127 & 125 for imposing penalty due to violation of provision of sec 39 Of UPGST Act 2017 for non filing GSTR – 3B For the month of November 2022	Total Liability: Rs.50,000/- (Penalty: CGST 25,000/- SGST 25,000/-)	<u>The Assessee has filed detailed reply in the matter and the same pending for response from the concerned authority</u>
13	<u>Pankaj Pruthu Desai ( Trading as Desai Associates)</u> 09AAPPD72 34E1ZP (Uttar Pradesh)	Deputy Commissio ner Sector- 3,Gautamb udha Nagar , Gautambu dha Nagar(B) , Gautambu dha Nagar , Uttar Pradesh	Notice in the Form GST ASMT-10 Reference no. ZD0908241007278 dated August 13,2024 Case ID : AD090824029057 W Period: FY 2024-25	Notice for intimating discrepancies in the return after scrutiny u/s 61 of SGST Act,2017 related to mismatch b/w Taxable Value of GSTR -3B & TDS/TCS-	-	Assessee is yet to file reply in respect of same

Pankaj Pruthu Desai (Trading as Desai Associates) (**Promoter cum Managing Director**):

Sr No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
14	Pankaj Pruthu Desai ( Trading as Desai Associates )  GSTIN: 29AAPPD 7234E1ZN (Karnataka )	Assistant Commissioner LGSTO 016- Bengaluru: DGSTO-4, Bengaluru:K arnataka	Intimation In the Form GST DRC - 01A reference no. ZD290824009696V dated August 03, 2024  Show Cause Notice In the Form GST DRC -01 reference no. ZD290824019953X dated August 05, 2024  Case ID: AD2908240036621  Period: July 2017 till March 2018	Intra State Supply of Services misclassified as Inter State Supply of Services  Followed by SCN u/s 74 for Tax Liability	Total Liability: Rs. <b>10,40,998/-</b> (Tax: Rs. 4,35,564/-, Interest: Rs. 4,96,542/-, & penalty: Rs. 1,08,892/-)	The Assessee has filed detailed reply dated September 20, 2024 in the matter and the same pending for response from the concerned authority
15	Pankaj Pruthu Desai ( Trading as Desai Associates )  GSTIN: 23AAPPD 7234E1ZZ ( Madhya Pradesh)	State Tax Officer, Jhabua:Ratlam Division:Indore, Zone - 2:Madhya Pradesh	Assessment Order u/s. 62 bearing Reference No. ZD231023010599R Dated October 19, 2023  Case ID: AD231023007956 D  F.Y. August 2023	For not filing GSTR-3B for the month August 2023	Total Liability: Rs. <b>15,300/-</b> (Tax: Rs. 10,000/-, Interest: Rs. 300/-, & Late Fees: Rs. 5,000/-)	Order for creation of demand issued but demand is pending till yet
16	Pankaj Pruthu Desai ( Trading as Desai Associates )  GSTIN: 23AAPPD 7234E1ZZ ( Madhya Pradesh)	State Tax Officer, Jhabua:Ratlam Division:Indore, Zone - 2:Madhya Pradesh	Assessment Order u/s. 62 bearing Reference No. ZD230624015943I Dated June 21,2024  Case ID: AD230624010601 Q  F.Y. April 2024	For not filing GSTR-3B for the month April 2024	Total Liability: Rs. 2,19,043/- (Tax: Rs.2,10,880/-, Interest: Rs. 3,163/-, & Late Fees: Rs. 5,000/-)	Order for creation of demand issued but demand is pending till yet
17	Pankaj Pruthu Desai ( Trading as Desai Associates )	State Tax Officer, Jhabua:Ratlam Division:Indore, Zone -	Assessment Order u/s. 62 bearing Reference No. ZD230724018932G Dated July 22,2024	For not filing GSTR-3B for the month May 2024	Total Liability: Rs. 15,150 /- (Tax: Rs.10,000/-, Interest: Rs. 150/-,	Order for creation of demand issued but demand is pending till yet

Sr . No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
	Associates ) GSTIN: 23AAPPD 7234E1ZZ ( Madhya Pradesh)	2:Madhya Pradesh	Case ID: AD230724009157 A  F.Y. May 2024		& Late Fees: Rs. 5,000/-)	
18	Pankaj Pruthu Desai ( Trading as Desai Associates ) GSTIN: 10AAPPD 7234E1Z6 (Bihar)	Assistant Commissioner of State Tax Samastipur , Darbhanga , Bihar	Notice in the Form GST ASMT-10 Reference No. ZD1008210154530 Dated August 25,2021 Case ID: AD100821013489C Period: 2020-2021	Notice for intimating discrepancies in the return after scrutiny u/s 61 of the ACT	Total Liability: Rs. 1,11,290/-	The Assessee has filed detailed reply dated September 25, 2021 in the matter and the same pending for response from the concerned authority
19	Pankaj Pruthu Desai ( Trading as Desai Associates ) GSTIN: 24AAPPD 7234E1ZX (Gujarat)	State Tax Officer Ghatak 59 (Surat): Range- 15: Division -7 : Gujarat	Show Cause Notice u/s. 73 bearing Reference No.: ZD2409230575729 Dated : September 29, 2023  Followed by Order Reference No. : ZD241223061299G Dated : December 21, 2023  Case ID : AD2409230403581 Period: From July 2017 till March 2018	Excess ITC Claimed	Total Liability: Rs. 16,99,661/- (Tax: Rs. 7,82,718/-, Interest: Rs. 8,38,672/-, & penalty: Rs. 78,271 /-)	The assessee herein has filed an appeal before the appellate authority vide Case ID no. AD2403240925 056 dated March 19, 2024 and the same is pending.
20	Pankaj Pruthu Desai ( Trading as Desai Associates ) GSTIN: 24AAPPD 7234E1ZX (Gujarat)	State Tax Officer Ghatak 59 (Surat): Range- 15: Division -7 : Gujarat	Show Cause Notice u/s. 73 bearing Reference No.: ZD241223092862E Dated : December 27, 2023  Followed by Order Reference No. : ZD240424005814P Dated : April 03, 2024  Case ID : AD241223054138E Period: F.Y.2018-2019	Wrongfully Availed ITC	Total Liability: Rs. 16,61,760/- (Tax: Rs. 7,56,579/-, Interest: Rs. 7,50,339/-, & penalty: Rs. 1,54,842 /-)	The assessee herein has filed an appeal before the appellate authority vide Case ID no. AD2407240002 63M dated July 01, 2024 and the same is pending.

Sr . No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
21	Pankaj Pruthu Desai ( Trading as Desai Associates ) GSTIN: 24AAPPD 7234E1ZX (Gujarat)	State Tax Officer Ghatak 59 (Surat): Range- 15: Division -7 : Gujarat	Intimation u/s 73(5) bearing Reference No. : ZD240424040441X Dated : April 18,2024  Show Cause Notice u/s 73 bearing Reference No. : ZD240524062407H Dated: May 21, 2024 Followed by Order u/s 73 Reference No. : ZD240824109134O Dated : August 30,2024  Case ID: AD240424032320S  Period: F.Y. 2019-2020	Tax due has not been paid or short paid or refund has been released erroneously or input tax credit has been wrongly availed or utilized	Total Liability: Rs. 2,01,868/- (Interest: Rs. 1,61,868/-, & penalty: Rs. 40,000/-)	Order for creation of demand issued but demand is pending till yet
22	Pankaj Pruthu Desai ( Trading as Desai Associates ) GSTIN: 24AAPPD 7234E1ZX (Gujarat)	State Tax Officer Ghatak 59 (Surat): Range- 15: Division -7 : Gujarat	Intimation u/s 74(5) bearing Reference No. : ZD240424040443T Dated : April 18, 2024  Show Cause Notice u/s 74 bearing Reference No. : ZD240524062424L Dated: May 21, 2024 Followed by Order u/s 74 Reference No. : ZD240824047410N Dated : August 12, 2024  Case ID: AD240424032321 Q  Period: F.Y. 2019-2020	Tax due has not been paid or short paid or refund has been released erroneously or input tax credit has been wrongly availed or utilized	Total Liability: Rs. 11,02,940/- (Tax: Rs. 3,76,800/- Interest: Rs. 3,49,340/-, & penalty: Rs. 3,76,800/-)	Order for creation of demand issued but demand is pending till yet

**Direct Tax:**

**1. Mr. Pankaj Pruthu Desai (Promoter cum managing Director)**

**a. A.Y. 2023-24:**

As per details available on the website of the Income Tax Department Mr. Pankaj Pruthu Desai (hereinafter referred to as the “Assessee”) have been issued with a demand bearing Demand Identification No: 2024202337273681613T August 08, 2024 u/s. 143(1)(a) of the Income Tax Act, 1961, raising a demand of Rs. 30,01,150/- /for A.Y 2023-24, Is pending to be paid by the assessee

**b. A.Y. 2022-23:**

As per details available on the website of the Income Tax Department Mr. Pankaj Pruthu Desai (hereinafter referred to as the “Assessee”) have been issued with a demand bearing Demand Identification No: 2022202237153055833T March 06, 2023 u/s. 143(1)(a) of the Income Tax Act, 1961, raising a demand of Rs. 7,800/- in addition to an interest of Rs. 1170 /- for A.Y 2022-23, Is pending to be paid by the assessee

**c. A.Y. 2020-21:**

As per details available on the website of the Income Tax Department Mr. Pankaj Pruthu Desai (hereinafter referred to as the “Assessee”) have been issued with a demand bearing Demand Identification No: 2021202037112127165T December 31, 2021 u/s. 143(1)(a) of the Income Tax Act, 1961, raising a demand of Rs. 26,750/- for A.Y 2020-21, Is pending to be paid by the assessee

**d. A.Y. 2019-20:**

As per details available on the website of the Income Tax Department **Mr. Pankaj Pruthu Desai** (hereinafter referred to as the “Assessee”) have been issued with a demand bearing Demand Identification No: 2019201937111082211T February 21, 2020 u/s. 143(1)(a) of the Income Tax Act, 1961, raising a demand of Rs. 2,20,775/- .

Aggrieved by the same the assessee herein filed an appeal bearing Appeal No. CIT(A), Surat-1/10009/2020-21 dated May 25, 2020. The said appeal was however dismissed by the NFAC vide its order dated August 25, 2021.

As per details available on the website, currently an amount of Rs. 1,76,580/- in addition to an interest of rs. 15,449/- is pending to be paid.

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax: NIL**

**Direct Tax: NIL**



5) **Other Pending Litigation based on Materiality Policy of our Company**

**PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES AND/OR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR SUBSIDIARIES AND /OR GROUP COMPANIES**

1) **Litigation involving Criminal Laws**

NIL

2) **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3) **Disciplinary Actions by Authorities**

NIL

4) **Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

5) **Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR SUBSIDIARIES AND/ OR GROUP COMPANIES**

1) **Litigation involving Criminal Laws**

NIL

2) **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3) **Disciplinary Actions by Authorities**

NIL

4) **Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

5) **Other Pending Litigation based on Materiality Policy of our Company**

NIL

**DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

### **PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this DRAFT RED HERRING PROSPECTUS in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Red Herring Prospectus

### **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the DRAFT RED HERRING PROSPECTUS, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

### **NON-PAYMENT OF STATUTORY DUES**

As on the date of the DRAFT RED HERRING PROSPECTUS there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

### **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this DRAFT RED HERRING PROSPECTUS.

### **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, nor Group Companies and nor 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.

### **DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

### **MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "Management's Discussion & Analysis of Financial Conditions & Results of Operations" beginning on page 261 here have been no material developments that have occurred after the Last Balance Sheet Date.

### **OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on March 31,2024: -

<b>Name</b>	<b>Balance as on March 31, 2024 (in Lakhs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	116.45
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	243.24

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Red Herring Prospectus and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this 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. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### Approvals In Relation to Our Company's incorporation

1. Certificate of Incorporation dated January 19, 2011 from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, under the Companies Act, 1956 as “**Desco Infratech Private Limited**” (Company Identification no. U45201GJ2011PTC063710)
2. Fresh Certificate of Incorporation dated July 26, 2024 from the Registrar of Companies, Central Processing Centre, consequent to conversion of the Company “**Desco Infratech Private Limited**” to “**Desco Infratech Limited**” (Corporate Identification No. - U45201GJ2011PLC063710)

### Approvals in relation to the Issue

#### Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on September 25, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated September 26, 2024, under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated September 30, 2024 and [●] authorized our Company to take necessary action for filing the Draft Red Herring Prospectus and Red Herring Prospectus respectively with BSE SME

#### Approvals from Stock Exchange

1. Our Company has received in- principle listing approval from the BSE SME dated [●] for listing of Equity Shares issued pursuant to the issue.

#### Other Approvals

1. The Company has entered into a tripartite agreement dated February 13, 2024 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated September 04, 2024 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
3. ISIN Registration no.: INE0TGG01014

## APPROVALS/LICENSES/PERMISSIONS IN RELATION TO OUR BUSINESS:

### Tax Related Approvals

Sr. No	Description	Address of Place of Business /Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	M/s. Desco Infratech Private Limited,	AADCD6994L	Income Tax Department	--	Valid till Cancelled
2.	Tax Deduction and Collection Account Number (TAN)	M/s. Desco Infratech Private Limited, 1-A/6 D K Park, Near Rupali Canal Bhatar Road Surat-395007, Gujarat	SRTD06943G	Income Tax Department	January 23, 2020	Valid till Cancelled
3.	Professional Tax Registration Certificate (PTRC), Gujarat	M/s. Desco Infratech Private Limited,	PRC038W00018186	Surat Municipal Corporation	--	Valid Till Cancelled
4.	Professional Tax Enrollment Certificate (PTEC), Gujarat	M/s. Desco Infratech Private Limited,	PEC03SW00032669	Surat Municipal Corporation	--	Valid Till Cancelled
5.	Professional Tax Registration Certificate (PTRC), Maharashtra	M/s. Desco Infratech Private Limited Survey No. 195, Hissa No. 2/1235, Near Amonora Park, Hadpsar, Pune-411028, Maharashtra	27571205684P	Maharashtra Sales Tax Department	June 02, 2016	Valid till Cancelled
6.	Professional Tax Enrollment Certificate (PTEC), Maharashtra	M/s. Desco Infratech Private Limited Survey No. 195, Hissa No. 2/1235, Near Amonora Park, Hadpsar, Pune-411028, Maharashtra	99943006213P	Maharashtra Sales Tax Department	June 24, 2016	Valid till Cancelled
7.	GST Registration Certificate (GST Registration Certificate (Gujarat)	M/s. Desco Infratech Private Limited,  1/A6, D.K.Park, Opp.Vrundavan Complex, Near Rupali Canal, Bhatar, Surat, Gujarat, 395007  <b>Additional Place:</b> 7th Floor, Office No.703, Swastik Universal, Wing-A, Dumas Road, Valentine Multiplex, Rundh, Surat, Gujarat, 395007	24AADCD6994L1Z4	Goods And Services Tax Department	Effective Date of registration July,01, 2017  Latest amended certificate dtd. September 10, 2024	Valid till Cancelled

Sr. No	Description	Address of Place of Business /Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
8.	GST Registration Certificate (Madhya Pradesh)	M/s. Desco Infratech Private Limited, E-46-A, Balwant Nagar Thatipur, Gwalior, Madhya Pradesh, 474011	23AADCD6994L1 Z6	Goods And Services Tax Department	Original Date of registration on June,07, 2018 Latest amended certificate dtd. September 14, 2024	Valid till Cancelled
9.	GST Registration Certificate (Maharashtra)	M/s. Desco Infratech Private Limited, 14/195, Lokmanya Nagar, Rajendra Nagar, New Sadashiv Peth, Pune, Maharashtra, 411030	27AADCD6994L1 ZY	Goods And Services Tax Department	Original Date of registration on July,01, 2017 Latest amended certificate dtd. August 29, 2024	Valid till Cancelled
10.	GST Registration Certificate (Karnataka)	M/s. Desco Infratech Private Limited, 1 Main, 3 Cross, 26, Konanakunte, Vallabha Nagar, Bengaluru Urban, Karnataka, 560062	29AADCD6994L1 ZU	Goods And Services Tax Department	Original registration dated December,19, 2017 Latest amended certificate dtd. September 06, 2024	Valid till Cancelled
11.	GST Registration Certificate (Haryana)	M/s. Desco Infratech Private Limited, Plot No.1167, Shopping Centre Of Urban Estate, Sector 21-B, Faridabad, Haryana, 121001	06AADCD6994L1 Z2	Goods And Services Tax Department	Effective Date of registration on September, 08, 2018 Latest amended certificate dtd. September 06, 2024	Valid till Cancelled

Sr. No	Description	Address of Place of Business /Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
12.	GST Registration Certificate (GST Registration Certificate (Punjab)	M/s. Desco Infratech Private Limited, Mcb-Z-5-00877, Street No. 1/10, Baba Farid Nagar, Bathinda, Punjab, 151001	03AADCD6994L1 Z8	Goods And Services Tax Department	Original Date of registration on July,30, 2020 Latest amended certificate dtd. September 14, 2024	Valid till Cancelled
13.	GST Registration Certificate (GST Registration Certificate (Uttar Pradesh)	M/s. Desco Infratech Private Limited, Khurja,Bsr, Near Bharat Gas Godown, Khurja, Bulandshahr, Uttar Pradesh, 203131	09AADCD6994L1 ZW	Goods And Services Tax Department	Original Date of registration on January,08, 2018 Latest amended certificate dtd. August 23, 2024	Valid till Cancelled

**Registrations related to Labour Laws:**

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Udhyam Registration Certificate	M/s. Desco Infratech Private Limited, 1-A/6, Dkpark DK Park Society, opposite Vrundavan complex Near rupalicanal, Bhatarroad Surat Gujarat	UDYAM-GJ-22-0006735	Ministry of Micro Small & Medium Enterprises	September 07, 2020	Valid till Cancelled
2.	Registration under Employee State Insurance Act (ESIC)	M/s. Desco Infratech Private Limited, Shop No.16, 1st Floor Gulab Tower Road Sola Bhuyandey Road, Ahmedabad	37001014730000606	Employees' State Insurance Corporation,	November 17, 2011	Valid till Cancelled
3.	Registration under the Employees Provident fund (EPF)	M/s. Desco Infratech Private Limited, 16, 1st Floor Gulab Tower Road Sola Bhuyandey Road, Ahmedabad	GJ/AHD/ 57393	Employees Provident fund	December 05, 2011	Valid till Cancelled

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
4.	Registration under Gujarat Shops and Establishments Act, 2019	M/s. Desco Infratech Private Limited, 1-A/6, D K Park, Nr. Rupali Canal, Bhatar Road, Surat, Gujarat-395017, India.	Intimation Receipt No. IR/AZ/S/MAJPURA/6758  Application ID: 620210113600172	Surat Municipal Corporation	January 21, 2021	Valid till Cancelled

**Business Related Approvals:**

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Quality Management Certificate ISO 9001:2015	M/s. Desco Infratech Private Limited,  1-A/6, Nr. Rupali Canal, Bhatar Road, NA Surat-395017, Gujarat	Certificate no. Q-205224082415	DBS Certifications Private Limited	August 24, 2024	August 23, 2026
2.	Contractor's Registration Certificate "B" Class Gujarat	M/s. Desco Infratech Private Limited,  1-A/6,D.K.Park. Near Rupali Canal, Bhatar Road, Surat-395007.	AB/TC/Regi. / "B"Class/ 5580	Executive Engineer District (R&B Division Vadodara	December 28, 2023	December 31, 2025
3.	Contractor's Registration Certificate "E-1" Class Gujarat	M/s. Desco Infratech Private Limited,  1-A/6,D.K.Park. Near Rupali Canal, Bhatar Road, Surat-395007.	DCID/AB/TC/ 1732	Executive Engineer Damanganga canal Inv.Division Valsad	September 13, 2023	December 31, 2025
4.	Contractor's Registration Certificate Madhya Pradesh	M/s. Desco Infratech Private Limited,  1/A6, D.K.Park, Opp.Vrundavan Complex, Near Rupali Canal, Bhatar,, Surat, Dist- Surat, Gujarat, 385007	PWD220058030	Chief Engineer  Public Works Department, Bhopal-MP	September 26, 2022	September 25, 2032

**Registrations related to ongoing projects:**

S. No	Description	Description of Work	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	Laying down of MDPE Pipeline, PNG Connections and Associated work for City gas distribution Project for Jaipur GA	BOCW/RLCJAIP UR/2024/105132/R-28	Regional Labour Commissioner (RLC)-Jaipur	May 27, 2024	--
2.	Certificate of Registration under (Under Rule 25(1) of the Contract Labour (Regulation and Abolition) Central Rules, 1971)	Laying down of MDPE Pipeline, PNG Connections and Associated work for City gas distribution Project for Jaipur GA	CLRA/RLCJAIP UR/2024/163472/L-160	Regional Labour Commissioner (RLC)-Jaipur	May 29, 2024	May 28, 2025
3.	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	Laying down of MDPE Pipeline, PNG Connections and Associated work for City gas distribution Project at Jankinagar at Gonda and Barabanki GA	<b>BOCW/RLCLU CKNOW/2024/105983/R-31</b>	Regional Labour Commissioner (RLC)-Lucknow	July 05, 2024	--
4.	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	Laying down of MDPE Pipeline, PNG Connections and Associated work for City gas distribution Project at Moradabad City, Moradabad GA	<b>BOCW/ALCBA REILLY/2024/105158/R-22</b>	Assistant Labour Commissioner (ALC)-Bareilly	July 05, 2024	--
5.	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	Area Emergency Services for CGD network at Faridabad and Palwal GA	<b>BOCW/ALCKA RNAL/2024/104727/R-51</b>	Assistant Labour Commissioner (ALC)-Bareilly	June 06, 2024	--





S. No	Description	Description of Work	Registration Number	Issuing Authority	Date of issue	Date of Expiry
6.	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	Supply Of Excavation Supervisor And Patrolman And Excavation Labour, Lokmanya Nagar, Pune	BOCW/RLCPUNE/2024/126448/R-25	Regional Labour Commissioner (RLC)-Pune	August 28, 2024	--
7.	Certificate of Registration under (Under Rule 25(1) of the Contract Labour (Regulation and Abolition) Central Rules, 1971)	Supply Of Excavation Supervisor And Patrolman And Excavation Labour, Lokmanya Nagar, Pune	CLRA/RLCPUNE/2024/159999/L-194	Regional Labour Commissioner (RLC)-Pune	August 28, 2024	August 27, 2025
8.	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	Laying LMC Domestic, Industrial and commercial connections	<b>BOCW/RLCNOIDA/2023/92557/R-63</b>	Regional Labour Commissioner (RLC)-Noida	September 18, 2023	--
9.	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	Operation and maintenance work for domestic PNG gas connection, Karnal	<b>BOCW/ALCKARNAL/2022/R-26</b>	Assistant Labour Commissioner (ALC)-Karnal	April 09, 2022	--
10.	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	PE Laying & Domestic/ Commercial/ Industrial PNG Installations for Project Works at Bathinda Geographical Area.	<b>BOCW/ALCJALANDHAR/2020/R-86</b>	Assistant Labour Commissioner (ALC)-Jalandhar	November 06, 2020	--

S. No	Description	Description of Work	Registration Number	Issuing Authority	Date of issue	Date of Expiry
	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	MDPE Laying, MRS Fabrication, Caging work and Internal Piping work for installation of Industrial and commercial connections as per the specifications, IN STATE OF UTTAR PARDESH (GAUTAM BUDH NAGAR & GHAZIABAD	<b>BOCW/RLCNOIDA/2024/94851/R-12</b>	Regional Labour Commissioner (RLC)-Noida	February 05, 2024	--
11.	Certificate of Registration under (Under Rule 25(1) of the Contract Labour (Regulation and Abolition) Central Rules, 1971)	MDPE Laying, MRS Fabrication, Caging work and Internal Piping work for installation of Industrial and commercial connections as per the specifications, IN STATE OF UTTAR PARDESH (GAUTAM BUDH NAGAR & GHAZIABAD	<b>CLRA/RLCNOIDA/2024/137831/L-35</b>	<b>Office of the Licensing Officer</b>	February 01, 2024	January 31, 2025
12.	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	Laying of Carbon Steel Pipeline for Station Connectivity and Loop Line Projects	<b>BOCW/ALCNEWDELHI/2022/R-32</b>	Assistant Labour Commissioner (ALC)-New Delhi	May 23, 2022	--
13.	Certificate of Registration under (Under Rule 25(1) of the Contract Labour (Regulation and Abolition) Central Rules, 1971)	Laying of Carbon Steel Pipeline for Station Connectivity and Loop Line Projects	<b>CLRA/ALCNEWDELHI/2022/L-157</b>	<b>Office of the Licensing Officer</b>	June 06, 2022	June 05, 2023
14.	Certificate Of Registration For Employer Under The Building And Other Construction Workers, (Regulation Of Employment And Conditions Of Service) Central Rules, 1998	PE Laying & Domestic/ Commercial/ Non-Commercial/ NDEC/ Industrial PNG Installations for Project Works at Chikhli and Navsari GA.	<b>BOCW/RLCVADODARA/2022/R-126</b>	Regional Labour Commissioner (RLC)-Vadodara	December 29, 2022	--

S. No	Description	Description of Work	Registration Number	Issuing Authority	Date of issue	Date of Expiry
15.	Certificate of Registration under (Under Rule 25(1) of the Contract Labour (Regulation and Abolition) Central Rules, 1971)	PE Laying & Domestic/ Commercial/ Non-Commercial/ NDEC/ Industrial PNG Installations for Project Works at Chikhli and Navsari GA.	CLRA/RLCVAD ODARA/2022/L-490	Regional Labour Commissioner (RLC)-Vadodara	December 18, 2022	December 17, 2023
16.	Form-III issued under the Rule 21(2) of CLRA, Central Rules and Rule 7(3) of the Inter State Migrant Workmen (Regulation of Employment and Condition of Service) Central Rules,	M/s. Desco Infratech Private Limited  For laying down MDPE network & associated work in CGD project Sattar & Sangli, Maharashtra	Registration no. of principal Employer: CLRA/RLCPUNE/2019/R-20 dated October 15, 2019	Bharat Petroleum Corporation Limited	September 12, 2024	August 02, 2025

### Intellectual Property

#### Trademarks registered/Objected/Abandoned in the name of our company

Sr. No	Brand Name/Logo Trademark	Class	Application Number	Owner	Date of Application	Authority	Current Status
1.	Device” Desco Infratech ” 	37	5302903	M/s. Desco Infratech Private Limited,  1-A/6, Rg Edt K Park Nr.Rupali Road,Surat GJ 395017	January 28, 2022	Trademark Registry, Ahmedabad	Registered and Valid till January 27, 2032
	Device” Desco Infratech Limited” 	37	6615398	M/s. Desco Infratech Limited,  1-A/6, , D K Park Nr.Rupali Canal,Bhatar Road,Surat GJ 395017 In	September 09, 2024	Trademark Registry, Ahmedabad	Formalities Chk Pass

### Domain Name

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	descoinfra.co.in	Registry Domain ID: D0F1048E8B5244D48AD7BB21980F4BF8F-IN	Desco Infratech Private Limited  Registrar IANA ID: 146	September 09, 2020	September 09, 2029

**Licenses Applied For:**

Sr. No.	Description	Address of the Premises	Concerned authority	Date and Acknowledgement No
1.	Certificate of Registration under (Under Rule 25(1) of the Contract Labour (Regulation and Abolition) Central Rules, 1971)	Laying down of MDPE Pipeline, PNG Connections and Associated work for City gas distribution Project at Moradabad City, Moradabad GA	ALC Bareilly (ALCBAREILLY)	<b>Applied vide acknowledgement no. 01062406061731</b> dated June 01, 2024
2.	Certificate of Registration under (Under Rule 25(1) of the Contract Labour (Regulation and Abolition) Central Rules, 1971)	Laying down of MDPE Pipeline, PNG Connections and Associated work for City gas distribution Project at Jankinagar at Gonda and Barabanki GA	RLC Lucknow (RLCLUCKNOW)	<b>Applied vide acknowledgement no. 16062409060695</b> dated June 16, 2024

**Licenses to be Applied For:**

Sr. No.	Description	Address of the Premises	Concerned authority	When to be applied
1.	Registration under Gujarat Shops and Establishments Act, 2019	M/s. Desco Infratech Private Limited, 703- A, Swastik Universal, Next To Valentine Theatre, Dumas Road, Surat	Surat Municipal Corporation	Immediately
2.	The Maharashtra Shops And Establishment Act 1948	M/s. Desco Infratech Private Limited, Apartment/Flat No: 14/195, Floor No: 2Nd, Near Shastri Road, Navi Peth, Pune 411030, Rajendra Nagar, Sadashiv Peth/Navi Peth, Pune	Maharashtra Labour Deptment	Immediately
3.	The UP Dookan Aur Vanijya Adhishthan Adhinyam, 1962	M/s. Desco Infratech Private Limited, C/o. Mukesh S/o. Shri Veer Singh, Chaman Vihar Colony, Khurja, Bulandshahr, Uttar Pradesh, 203131,	Uttar Pradesh Labour Department	Immediately
4.	The Punjab Shop And Commercial Establishments Act 1958	SCF-09 suncity 1 near Kamal narsingh hospital rupnagar Panjab 140001	Labour Department, Punjab	Immediately
5.	The Punjab Shop And Commercial Establishments Act 1958	M/s. Desco Infratech Private Limited, Hno. 6322, New Colony, Palwal-121102, Haryana	Labour Department, Haryana	Immediately
6.	The Punjab Shop And Commercial Establishments Act 1958	M/s. Desco Infratech Private Limited, Dss With Basement Site No. 1167 Sector 21-B, Shopping Centre Of The Urban Estate Faridabad	Labour Department, Haryana	Immediately
7.	The Punjab Shop And Commercial Establishments Act 1958	M/s. Desco Infratech Private Limited, House No. 71/8, Old Property Id No. 13470-H, Situated At New Colony Palwal, Within The Limits Of M.C. Palwal-121102, Haryana	Labour Department, Haryana	Immediately

<b>Sr. No.</b>	<b>Description</b>	<b>Address of the Premises</b>	<b>Concerned authority</b>	<b>When to be applied</b>
8.	The Punjab Shop And Commercial Establishments Act 1958	M/s. Desco Infratech Private Limited, Mcf No, 932, Khasra No. 2/24, 10/4/1, Pid No. Ib9Atr1, Faridabad, Haryana	Labour Department, Haryana	Immediately
9.	The Punjab Shop And Commercial Establishments Act 1958	M/s. Desco Infratech Private Limited, Hno. 2334/Mig, Sector-28, Faridabad, Haryana	Labour Department, Haryana	Immediately

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of name of the Company pursuant to change of its constitution from Private Limited to Public Limited.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

Our Board of Directors have vide resolution dated September 25, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra Ordinary General Meeting held on September 26, 2024 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Our Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of equity shares on the BSE SME. BSE is the designated stock exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our Company, promoters, members of the promoter group, directors, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Red Herring Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters offered by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

### PROHIBITION BY RBI

Neither our Company nor any of our Promoters or Directors has been declared as willful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Red Herring Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, our Promoters and Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Red Herring Prospectus.

### ELIGIBILITY FOR THE ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post Issue face value capital is less than or equal to ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the BSE SME).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of BSE SME in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below.

- a) As on the date of this Draft Red Herring Prospectus, our Company has a total paid-up capital (face value) of ₹ 562.60 Lakhs comprising 56,26,008 Equity Shares of ₹10/- each and the Post Issue paid-up Capital (face value) will be ₹ [●] Lakhs comprising [●] Equity Shares which shall be below ₹ 25 crores.
- b) Our Company confirms that it has track record of more than 3 years.

The Net- worth of our Company as per the restated financials of our Company for the last 3 financial years is more than Rs. 1 crore:

(₹ in Lakhs)

Particulars	FY March 31, 2024	FY March 31, 2023	FY March 31, 2022
Share Capital	27.78	25.00	25.00
Add: Reserves and surplus	1,171.56	478.65	360.06
<b>Net worth</b>	<b>1,199.34</b>	<b>503.65</b>	<b>385.06</b>

- c) The Net Tangible Assets of our Company as per the restated financials of our Company as at March 31, 2024 (last preceding full financial year) is more than Rs. 300.00 Lakhs as computed below:

(₹ in Lakhs)

Particulars	FY March 31, 2024
Net worth	1,199.34
Less: Intangible Assets	-
<b>Net Tangible Assets</b>	<b>1,199.34</b>

- d) Our Company was incorporated on January 11, 2011, under the provisions of Companies Act, 1956 with the Registrar of Companies, Gujarat. Hence, our Company is in existence for a period of 13 years on the date of filing of this Draft Red Herring Prospectus with BSE.
- e) Our company has operating profits on the basis of restated financials (earnings before interest, depreciation and tax) from operations for at least 2 financial years out of preceding 3 financial years preceding the application date. Further, our Company has operating profit (earnings before interest, depreciation and tax) from operations for one full financial year preceding the application date, below are the details:

(₹ in Lakhs)

Particulars	FY March 31, 2024	FY March 31, 2023	FY March 31, 2022
Profit Before Tax	497.91	173.92	120.33
Add: Finance Cost	52.43	36.57	37.93
Add: Depreciation	15.73	14.83	13.82
Less: Other Income	10.17	6.00	6.32
<b>Operating Profits</b>	<b>555.90</b>	<b>219.32</b>	<b>165.77</b>

- f) Our Leverage Ratio is less than 3 as per restated financial statement is as under:

(₹ in Lakhs)

Particulars	FY March 31, 2024
Share Capital	27.78
Reserves and surplus	1,171.56
<b>Networth (A)</b>	<b>1,199.34</b>
Long Term borrowings	156.90
Short Term borrowings	249.47
<b>Total Borrowings (B)</b>	<b>406.37</b>
<b>Leverage Ratio (C) = B/A</b>	<b>0.34</b>

- g) There has been no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any Stock Exchange having nationwide trading terminals. None of our Promoter(s) or directors have been promoter(s) or directors of compulsory delisted companies by the Exchange. Accordingly, there is no applicability of compulsory delisting is attracted and none of our Promoter(s) or directors have been promoter(s) or directors (other than independent directors) of companies that are suspended from trading on account of non-compliance. Further, none of our directors are disqualified/ debarred by any of the Regulatory Authority.
- h) There are no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by our Company, promoters/ promoting company(ies), Subsidiary Companies.

- i) In case of name change within the last one year, at least 50% of the revenue calculated on a restated and consolidated basis for the preceding 1 full financial year has been earned by our Company from the activity indicated by our new name: **Not Applicable.**
- j) Other Disclosures:
- We have a functional website: <https://descoinfra.co.in/>.
  - The Equity Shares held by the Promoters are in the process of dematerialization.
  - Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
  - There has been no change in the Promoter(s) of our Company in the preceding one year from date of filing application to BSE for listing on BSE SME.
  - Our composition of the board is in compliance with the requirements of Companies Act, 2013.
  - The Net worth computation is computed as per the definition given in SEBI (ICDR) Regulations.
  - Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
  - Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
  - There is no winding up petition against the company, which has been accepted by the National Company Law Tribunal (NCLT).
  - No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a) The Draft Red Herring Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE. BSE is the Designated Stock Exchange.
- b) Our Company has entered into an agreement dated September 04, 2024 with NSDL and agreement dated February 13, 2024 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be offered.
- c) The entire pre-issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.
- d) The Equity Shares held by the Promoters are in the process of dematerialization.
- e) The fund requirements set out for the Objects of the Issue are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement 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 Issue as required under the SEBI ICDR Regulations.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

1. Neither our Company nor our Promoters, members of our Promoter group or our directors is debarred from accessing the capital markets by the SEBI.



2. None of our Promoters or Directors is Promoters or director of any other companies which are debarred from accessing the capital markets by the SEBI.
3. Neither our Company nor our Promoters or Directors is a wilful defaulter or a fraudulent borrower.
4. None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**We further confirm that:**

1. In accordance with Regulation 246 the SEBI ICDR Regulations, the Book Running Lead Manager shall ensure that the issuer shall file copy of the Red Herring Prospectus with SEBI along with relevant documents as required at the time of filing the Red Herring Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI ICDR Regulations, this Issue has been one hundred percent (100%) underwritten and that the Book Running Lead Manager to the issue has underwritten at least 15% of the Total Issue Size. For further details, pertaining to said underwriting please see “*General Information*” beginning on page 73 of this Draft Red Herring Prospectus.
3. In accordance with Regulation 268 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 (50), otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four (4) days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of fourth day, be liable to unblock such application money with interest as prescribed under the SEBI ICDR Regulations, the Companies Act 2013 and applicable laws.

**COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the 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 OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SMART HORIZON CAPITAL ADVISORS PRIVATE LIMITED (FORMERLY KNOWN AS SHRENI CAPITAL ADVISORS PRIVATE LIMITED) HAVE FURNISHED 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 CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER 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 THIS OFFER DOCUMENT.**

**Note:** All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 33(1) and 33(2) of the Companies Act.

**DISCLAIMER CLAUSE OF THE BSE**

As required, a copy of the Draft Red Herring Prospectus shall be submitted to the BSE SME. The Disclaimer Clause as intimated by the BSE SME to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to the filing with RoC.

**DISCLAIMER FROM OUR COMPANY, THE DIRECTORS AND THE BOOK RUNNING LEAD MANAGER**

Our Company, our Directors and the Book Running Lead Manager 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 our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.descoinfra.co.in](http://www.descoinfra.co.in), or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres elsewhere.

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Smart Horizon Capital Advisors Private Limited (*Formerly known as Shreni Capital Advisors Private Limited*) is not an associate of the Company and is eligible to be appointed as the Book Running Lead Manager in this Issue, under SEBI MB Regulations.

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 issue, 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. Our Company and the Book Running Lead Manager 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.

Neither our Company nor Book Running Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

**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, except through their legal guardian), Hindu Undivided Families (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), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform

himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the 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 the Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

### **Eligibility and Transfer Restrictions**

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

### **LISTING**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE SME. Application have been made to the BSE SME for obtaining permission for listing of the Equity Shares being issued and sold in the Issue on its BSE SME after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our company has obtained In-principle approval from BSE vide letter dated [●] to use name of BSE in the Red Herring Prospectus for listing of equity shares on BSE SME.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE SME the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within three (3) Working Days of the Bid/Issue Closing Date or such period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Issue within 3 Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% p. a, for the delayed period 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 BSE SME mentioned above are taken within Three (3) Working Days of the Issue Closing Date.

### **CONSENTS**

Consents in writing of: (a) The Directors, the Promoters, the Chief Financial Officer, the Company Secretary & Compliance Officer, Chartered Engineer, the Statutory Auditors and the Peer Review Auditors, (b) the Book Running Lead Manager, Registrar to the Issue, the Legal Advisors to the Issue, Bankers to the Issue<sup>(1)</sup>, Bankers to the Company, Syndicate Member<sup>(1)</sup>, Market Maker<sup>(1)</sup> and Underwriters<sup>(1)</sup> to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 32 of the Companies Act, 2013. t. All such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

(1) *The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

## **EXPERT OPINION**

Except as disclosed below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received a written consent dated September 26, 2024 from the Statutory and Peer Reviewed Auditors, namely M/s K.A. Sanghavi and Co. LLP, Chartered Accountants, who hold a valid peer review certificate from ICAI, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Statutory and Peer Reviewed Auditor, and in respect of their (a) examination report dated September 26, 2024 on the Restated Financial Statements, and (b) report dated September 26, 2024 on the statement of special tax benefits.

Further, our Company has received written consent dated September 26, 2024, from Mr. M. G. Shaikh, Independent Chartered Engineer, to include their name as required under Section 26 (5) of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate dated September 27, 2024 certifying list of equipments of the Company.

Such consent has not been withdrawn as on the date of this Draft Red herring Prospectus. However, the term “expert” and “consent” shall not be construed to mean an “expert” and “consent” as defined under the U.S. Securities Act.

## **PREVIOUS PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE YEARS**

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

## **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS**

Since this is an Initial Public Offer of the 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 the Equity Shares since inception of our Company.

## **CAPITAL ISSUES DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY**

Except as disclosed in Chapter titled “*Capital Structure*” on page 84 of this Draft Red Herring Prospectus, our Company has not made any capital issue during the previous three years.

For details in relation to our Group Companies, please see chapter titled “Our Group Companies” on page 217 this Draft Red Herring Prospectus.

## **PERFORMANCE VIS-À-VIS OBJECTS**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 84 of this Draft Red Herring Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

We do not have any Subsidiary or Associate company as on date of this Draft Red Herring Prospectus. For details in relation to our Group Companies, please see chapter titled “Our Group Companies” on page 217 of this Draft Red Herring Prospectus.

## **PRICE INFORMATION OF THE PAST OFFERS HANDLED BY THE BOOK RUNNING LEAD MANAGER**

1) **Price information of past issues handled by Smart Horizon Capital Advisors Private Limited (Formerly known as Shreni Capital Advisors Private Limited) (during the current Financials year and two Fiscals preceding the current financial year):**

Since this is the Third Offer Document filed by Smart Horizon Capital Advisors Private Limited (*Formerly known as Shreni Capital Advisors Private Limited*), as the Book Running Lead Manager, price information of the past issues handled by the Book Running Lead Manager is not applicable.

**2) Summary statement of price information of past issues handled by Smart Horizon Capital Advisors Private Limited (*Formerly known as Shreni Capital Advisors Private Limited*) (during current financial year and two financial years preceding the current financial year):**

Since this is the Third Offer Document filed by Smart Horizon Capital Advisors Private Limited (*Formerly known as Shreni Capital Advisors Private Limited*), as the Book Running Lead Manager, summary statement of price information of past issues handled by them is not applicable.

**TRACK RECORD OF PAST OFFERS HANDLED BY BOOK RUNNING LEAD MANAGER**

For details regarding track record of the Book Running Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Book Running Lead Manager at: [www.shcapl.com](http://www.shcapl.com)

**STOCK MARKET DATA OF EQUITY SHARES**

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

**MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of three years from the date of listing and commencement of trading of the Equity Shares to enable the Bidders to approach the Registrar to the Issue for redressal of their grievances. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Manager where the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding Two Working Days from the Bid / Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding Two Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and SEBI Master Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (to the extent applicable).

In terms of SEBI circular 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, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and subject to applicable law, any ASBA Bidder whose Bid 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. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for nonallotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public offers opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchange till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Manager shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

For helpline details of the Book Running Lead Manager pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see “General Information – Book Running Lead Manager” on page 73 of this Draft red Herring Prospectus.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with 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 and Sponsor

Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations.

The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Applicants. Applicants can contact our Company Secretary and Compliance officer or the Registrar to the Issue in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Issue to the BRLM.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company has also appointed Ms. Gandharva Javanika, Company Secretary and Compliance officer for the Issue. For details, see “*General Information*” beginning on page 73 this Draft Red Herring Prospectus.

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 (seven) days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Our Company shall, after filing of this Draft Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Further, our Board by a resolution on September 26, 2024, has also constituted a Stakeholders’ Relationship Committee. The composition of the Stakeholders’ Relationship Committee is as follows:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Mahendra Sabarsinh Gusain	Non- Executive Independent Director	Chairman
Mr. Samarth Pankaj Desai	Executive Director	Member
Mr. Pankaj Pruthu Desai	Managing Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page 196 of this Draft Red Herring Prospectus.

Our Company has also appointed Ms. Gandharva Javanika, as the Company Secretary and Compliance Officer for the Issue and she may be contacted at the Registered Office of our Company.

#### **Ms. Gandharva Javanika**

A-703, Swastik Universal, Next to Valentine Theatre,  
Dumas Road, Umra, Surat, Gujarat- 395007 India.

**Tel No:** +91 7574 999 097

**Email:** [investors@descoinfra.co.in](mailto:investors@descoinfra.co.in)

**Website:** [www.descoinfra.co.in](http://www.descoinfra.co.in)

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

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

## **OTHER CONFIRMATIONS**

No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue.



## SECTION IX – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

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

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid-cum-Application forms. Investor may visit the official website of the concerned for any information on operational utilization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### AUTHORITY FOR THE ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on September 25, 2024 subjects 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 September 26, 2024.

### RANKING OF EQUITY SHARES

The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares being offered and allotted shall be subject to the provisions of the Companies Act 2013, our Memorandum of Associations and Articles of Association shall rank pari passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “Main Provisions of the Articles of Association” beginning on page 346 of this Draft Red Herring Prospectus.

### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Bidders who have been allotted or transferred Equity Shares pursuant to the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page 219 and 346, respectively of this Draft Red Herring Prospectus.

### FACE VALUE, ISSUE PRICE, FLOOR PRICE AND PRICE BAND

The face value of each Equity Share is ₹ 10 and the Issue Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and at the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Issue Price, Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM, and advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi

national daily newspaper and [●] editions of [●], a Gujarati daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager, after the Bid/ Issue Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares, unless otherwise permitted by law.

## **COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to receive Annual Reports and notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
7. Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

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 or splitting, see “*Main Provisions of the Articles of Association*” beginning on page 346 of this Draft Red Herring Prospectus.

## **ALLOTMENT ONLY IN DEMATERIALIZED FORM**

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite agreement dated February 13, 2024 amongst our Company, CDSL and Bigshare Services Private Limited.
2. Tripartite agreement dated September 04, 2024 between our Company, NSDL and Bigshare Services Private Limited.

For details in relation to the Basis of Allotment, see “*Issue Procedure*” on page 321 of this Draft Red Herring Prospectus.

## **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of BSE 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 and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.*

## **JOINT HOLDERS**

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

## **JURISDICTION**

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 in accordance with applicable laws.

## **NOMINATION FACILITY TO BIDDERS**

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, 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 or 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 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 the production of such evidence as may be required by our Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our 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 dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

## **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchange.

## 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 Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders 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.

The BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit reports of compliance with the applicable listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an Issue, our Company shall file a fresh Prospectus.

## BID/ISSUE PROGRAM

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
<b>Bid/Issue Opens on</b>	[●] <sup>(1)</sup>
<b>Bid/Issue Closes on</b>	[●] <sup>(2)(3)</sup>
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before [●]
<b>Initiation of Refunds / unblocking of funds from ASBA Account*</b>	On or before [●]
<b>Credit of Equity Shares to demat account of the Allottees</b>	On or before [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or before [●]

1. Our Company in consultation with the BRLM, may consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations
2. Our Company in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations
3. UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Issue Closing Date, i.e. [●]

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation / withdrawal / deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant

shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted / partially allotted Application, exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue BRLM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. Further, investors shall be entitled to compensation in the manner specified in the 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, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

**The above timetable other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the BRLM.**

**Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.**

**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 Exchanges are taken within such time as prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, our Company shall within three days from the closure of the Issue, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. 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. The Shareholder, severally and not jointly, has specifically confirmed that it shall extend such reasonable support and co-operation required by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within such time as prescribed by SEBI.**

**The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.**

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

#### **Submission of Bids (other than Bids from Anchor Investors)**

<b>Bid Period (except the Bid/Issue Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
<b>Bid/Issue Closing Date</b>	
Submission and Revision in Bids*	Only between 10.00 a.m. and 3.00 p.m. IST

\* UPI mandate end time and date shall be at 5.00 pm IST on Bid/Issue Closing Date.

#### **On the Bid/Issue Closing Date, the Bids shall be uploaded until:**

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange in case of Bids by RIBs.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchange only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchange.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise; or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

Our Company in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid Period in accordance with the SEBI ICDR Regulations. 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, but the Floor Price shall not be less than the Face Value of the Equity Shares.

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

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

**In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, may extend the Bid/Issue Period for a minimum of one Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public announcement and also by indicating the change on the respective websites of the BRLM and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

## **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond Two days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level. For details of underwriting arrangement, kindly refer the chapter titled “General Information - Underwriting” on page 72 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000/- (Rupees One Lac only) per application.

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.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the BSE SME.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for the lock-in of the pre- Issue capital of our Company, lock-in of the Promoters’ minimum contribution and the Anchor Investor lock-in as provided in “Capital Structure” beginning on page 84 of this Draft Red Herring Prospectus and except as provided in our 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, see “Main Provisions of the Articles of Association” beginning on page 346 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 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 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.*

#### **NEW FINANCIAL INSTRUMENTS**

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

#### **ALLOTMENT OF SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

#### **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 EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered

with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## **MIGRATION TO MAIN BOARD**

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. BSE has reviewed its criteria for Migration of SME Companies to BSE Main Board dated November 24, 2023 vide notice no. 20231124-55 effective from January 01, 2024 as follows:

- **Paid up capital and market capitalization:** Paid-up capital of more than 10 Crores and Market Capitalisation should be minimum Rs. 25 Crores. (*Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.*)
- **Promoter holding:** Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application.
- **Financial Parameters:** The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediately preceding Financial Year of making the migration application to Exchange. The applicant company should have a Net worth of at least Rs. 15 crores for 2 preceding full financial years.
- **Track record of the company in terms of listing/ regulatory actions, etc:** The applicant company is listed on SME Exchange/ Platform having nationwide terminals for atleast 3 years.
- **Regulatory action:** No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals. No Debarment of company, promoters/promoter group, subsidiary company by SEBI. No Disqualification/Debarment of directors of the company by any regulatory authority. The applicant company has not received any winding up petition admitted by a NCLT.
- **Public Shareholder:** The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
- **Other parameters like No. of shareholders, utilization of funds:** No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies. No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies. The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform. The applicant company has no pending investor complaints. Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action.

### **Notes:**

1. Net worth definition to be considered as per definition in SEBI ICDR.
2. Company is required to submit Information Memorandum to the Exchange as prescribed in SEBI (ICDR) Regulations.
3. The application submitted to the Exchange for listing and mere fulfilling the eligibility criteria does not amount to grant of approval for listing.
4. If the documents and clarification received from the applicant company are not to the satisfaction of BSE, BSE has the right to close the application at any point of time without giving any reason thereof. Thereafter, the company can make fresh application as per the extant norms.
5. The Exchange may reject application at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Guidelines / Regulations issued by statutory authorities or for any reason in the interest of Investors and market integrity. The Exchange may also reject the application if the company is found not fulfilling internal BSE standards.



6. Companies that have approached for listing on any stock exchange and has been denied listing for any reason whatsoever or has chosen to withdraw its application from the Exchange, they may reapply for listing after a minimum period of 6 months (6 months after date of rejection/ withdrawal). If rejected for a second time, the company would not be eligible to apply again.
7. BSE decision w.r.t admission of securities for listing and trading is final.
8. BSE has the right to change / modify / delete any or all the above norms without giving any prior intimation to the company.
9. The companies are required to submit documents and comply with the extant norms.
10. The company shall use BSE's reference regarding listing only after the Exchange grants its in-principle listing approval to the company.

## **MARKET MAKING**

The shares issued through this Issue are proposed to be listed on the BSE SME with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on BSE SME. For further details of the market making arrangement please refer the chapter titled "*General Information*" beginning on page 72 of this Draft Red Herring Prospectus.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is not more than ₹10 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 BSE SME). For further details regarding the salient features and terms of such an issue, please refer chapter titled “Terms of the Issue” and “Issue Procedure” beginning on page no.308 and 321 respectively of this Draft Red Herring Prospectus.

### ISSUE STRUCTURE

This Issue comprised of Initial Public Offering of up to 20,50,000 Equity Shares for Cash at an Issue Price of ₹ [●] per Equity Share. The Issue comprises a reservation of up to [●] Equity Shares of face value of ₹10/- each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of up to [●] Equity Shares of face value of ₹10/- each (“the Net Issue”). The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post Issue paid-up equity share capital of our Company. The Issue is being made through the Book Building Process.

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non - Institutional Investors/Bidders	Retail Individual Investors/Bidders
<b>Number of Equity Shares available for allocation or allotment <sup>(2)</sup></b>	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
<b>Percentage of Issue Size available for Allocation</b>	[●] of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
<b>Basis of Allotment <sup>(3)</sup></b>	Firm allotment	Proportionate as follows (excluding the Anchor Investor Portion):  (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and  (b) Up to [●] Equity Shares shall be	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares. For details, see “Issue Procedure” beginning on page 321 of this Draft Red Herring Prospectus.	Proportionate basis subject to minimum allotment of [●] Equity Shares. For details, see “Issue Procedure” beginning on page 321 of this Draft Red Herring Prospectus.

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non - Institutional Investors/Bidders	Retail Individual Investors/Bidders
		<p>available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>(c) Up to 60% of QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p>		
<b>Mode of Bid<sup>(7)</sup></b>	Only through ASBA Process	ASBA only except for Anchor Investors <sup>(4)</sup>	Only through ASBA Process	Through ASBA Process, Through Banks or by using UPI ID for payment
<b>Mode of allotment</b>	Compulsorily in dematerialized form			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 2.00 Lakhs	Such number of Equity shares in multiple of [●] Equity shares that Bid size exceeds ₹ 2.00 Lakhs	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2.00 Lakhs
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, (excluding the Anchor portion), subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹2.00 Lakhs
<b>Bid Lot</b>	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Who can apply?<sup>(5)</sup></b>	Market Maker	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non - Institutional Investors/Bidders	Retail Individual Investors/Bidders
		bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹2500 lakhs, pension fund with minimum corpus of ₹2500 lakhs, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws including FEMA Rules.	institutions, societies, family offices, trusts, FPIs who are individuals, corporate bodies and family offices	that the Bid amount does not exceed ₹2.00 Lakhs in value
<b>Terms of Payment</b>	<p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.</p> <p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(6)</sup></p>			

- (1) *Our Company in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, (ii) minimum of two and maximum of fifteen Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 Lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of fifteen Anchor Investors for allocation up to ₹2,500.00 Lakhs, and an additional ten Anchor Investors for every additional ₹2,500.00 Lakhs or part thereof will be permitted, subject to minimum allotment of ₹100.00 Lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹200.00 Lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.*
- (2) *In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations, this is an Issue for at least 25% of the post Issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 253 of the SEBI ICDR Regulations.*

- (3) *Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*
- (4) *Anchor Investors are not permitted to use the ASBA process.*
- (5) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*
- (6) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*
- (7) *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the Bidders. Accordingly, Stock Exchanges shall, for all categories of Bidders viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

The Bids by FPIs with certain structures as described under “*Issue Procedure*” on page 321 of this Draft Red Herring Prospectus and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “*Terms of the Issue*” on page 308.

**In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 Working Days. 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 public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.**

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 Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for 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 until June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The BRLMs shall be the nodal entity for any Issues arising out of the public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and book running lead managers shall continue to coordinate with intermediaries involved in the said process.

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, including the reduction of time period for unblocking of application monies from 15 days to four days. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5.00 lakhs shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Pursuant to SEBI circular

no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Issue Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days.

The BRLM shall be the nodal entity for any issues arising out of public issuance process.

Our Company and the BRLM, members of the syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID 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 Red Herring Prospectus and the Prospectus, when filed.

Further, our Company and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

## **BOOK BUILDING PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, the Issue is being made for at least 25% of the post- Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229 (1) of Chapter IX of SEBI ICDR Regulations via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, 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 a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021, and CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders’ depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.**

However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws. Phased implementation of UPI.

## **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six Working Days. For further details, refer to the General Information Document available on the website of the Stock Exchange and the Book Running Lead Manager.

**Phase II:** This phase has become applicable from July 1, 2019. and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing continues to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public Issue closure to listing has been reduced from six Working Days to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, 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.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (the “UPI Streamlining 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 Streaming 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, the relevant SCSB as well as the post- issue BRLM will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. The Issue will be made under UPI Phase III of the UPI Circular.



The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹2.00 lakhs and up to ₹5.00 lakhs, 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.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (“UPI Streamlining 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 Streamlining 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 Working 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. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Book Running Lead Manager.

## **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the Book Running Lead Manager, 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 website of the BSE ([www.bseindia.com](http://www.bseindia.com)), at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

UPI Bidders Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

ASBA Bidders (not using the UPI Mechanism) must provide bank account details and authorisation 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. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the

Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022. All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected. The UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID 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. UPI Bidders 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 authorising 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 Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Since the Issue is made under Phase III, ASBA Bidders may submit the ASBA Form in the manner below:

- (a) RIBs (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (b) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (c) QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.
- (d) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application form*
Resident Indians, including QIBs, Non-institutional Investors and Retail Individual Bidders, each resident in India and Eligible NRIs applying on a non-repatriation basis.	White
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors**	White

\* Excluding electronic Bid cum Application Form.

\*\* Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Manager. Electronic Bid cum Application forms will also be available for download on the website of BSE ([www.bseindia.com](http://www.bseindia.com)).

In case of ASBA forms, the relevant Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. The Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s)

to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate the UPI Bidders in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the SEBI UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm IST on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Bid/Issue Period until the Cut-Off Time.

Bids 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 Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

- i. A standard cut-off time of 3.00 p.m. for acceptance of bids.
- ii. A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- iii. A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE Limited after taking into account the total number of bids received up to the closure of timings and reported by BRLM to BSE Limited within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Issue Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in accordance with SEBI circular no: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no.

SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”):

1. An SCSB, with whom the bank account to be blocked, is maintained
2. A syndicate member (or sub-syndicate member)
3. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4. A Depository Participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5. A Registrar to an Issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

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 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 SCSBs:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the 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 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 payment:</b>	After accepting the 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 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.

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 Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB’s authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

**Who Can Apply?**

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. 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);
2. 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;
3. 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;
4. Mutual Funds registered with SEBI;
5. 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;
6. 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);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. 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;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. 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;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;

23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.
24. Applications not to be made by:
- a) Minors (except through their Guardians)
  - b) Partnership firms or their nominations
  - c) Foreign Nationals (except NRIs)
  - d) Overseas Corporate Bodies

#### **ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.
- d) QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids.

#### **PARTICIPATION BY PROMOTERS, PROMOTER GROUP, THE BOOK RUNNING LEAD MANAGER, THE SYNDICATE MEMBERS AND PERSONS RELATED TO PROMOTERS/PROMOTER GROUP/THE BOOK RUNNING LEAD MANAGER**

The Book Running Lead Manager and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Issue under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
- (ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;
- (iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or
- (iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Manager” if:

- (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
- (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- (iii) there is a common director, excluding nominee director, amongst the Anchor Investors, the Book Running Lead Manager.

## **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

## **BIDS BY ELIGIBLE NON-RESIDENT INDIANS**

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB to block their NRE accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB to block their NRO accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Issue through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian company in a general meeting.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 345 of this Draft Red Herring Prospectus.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

## **BIDS BY HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids/Applications by HUFs may be considered at par with Bids from individuals.

## **BIDS BY FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered

as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post- Issue Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (“**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24%, 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

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 21 of the SEBI FPI Regulations, an FPI, 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 in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:



- (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Issue shall be subject to the FEMA Rules

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form *“exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.”*

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “FPI Group”) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Issue Equity Share capital shall be liable to be rejected.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2,500.00 lakhs and pension funds with a minimum corpus of ₹2,500.00 lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company in consultation with the Book Running Lead Manager in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

#### **BIDS BY SEBI REGISTERED VCFs, AIFs AND FVCIs**

The SEBI FVCI Regulations, inter alia, prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA Rules, VCFs and FVCIs can invest only up to 33.33% of their investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA Rules.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "Banking Regulation Act"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

#### **BIDS BY SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. 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.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("IRDAI Investment Regulations"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds with minimum corpus of ₹2,500.00 lakhs, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid, without assigning any reason thereof.

#### **BIDS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone

basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time

## **BIDS BY ANCHOR INVESTORS**

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

- 1) Anchor Investor Application Forms will be made available for the Anchor Investors Portion at the offices of the Book Running Lead Manager.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 lakhs.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the Book Running Lead Manager, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹2,500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation up to ₹2,500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2,500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. 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 Book Running Lead Manager 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 Anchor Investor Pay-in Date specified in the CAN. 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) The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 10) Neither the (a) Book Running Lead Manager or any associate of the Book Running Lead Manager (other than mutual funds sponsored by entities which are associate of the Book Running Lead Manager or insurance companies promoted by entities which are associate of the Book Running Lead Manager or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Manager or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Manager) nor (b)

the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

For more information, please read the General Information Document.

**The information set out above is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus.**

### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding 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 compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### **GENERAL INSTRUCTIONS**

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid Period and withdraw or lower the size of their Bid(s) until Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid Period.

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that your PAN is linked with Aadhaar and you are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021
3. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
4. Ensure that you have Bid within the Price Band;
5. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
6. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

8. UPI Bidders Bidding in the Issue shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party
9. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
10. Ensure that you mandatorily 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;
11. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
12. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment.
15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial 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;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
20. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
21. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
22. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders Bidding through

UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and PAN available in the Depository database;

23. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in));
24. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
25. Ensure that the Demographic Details are updated, true and correct in all respects;
26. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Issue, which is UPI 2.0 certified by NPCI;
27. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Banks issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
28. Bidding through UPI Mechanism 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, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks Issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
29. UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
30. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;
31. Bids by Eligible NRIs for a Bid Amount of less than ₹2.00 lakhs would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹2.00 lakhs would be considered under the Non-Institutional Category for allocation in the Issue;
32. UPI Bidders 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; and
33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date.
34. The ASBA bidders shall ensure that bids above ₹5.00 lakhs, are uploaded only by the SCSBs.

**The Bid cum 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:**

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
3. Do not Bid for a Bid Amount exceeding ₹2.00 lakhs (for Bids by RIBs) and ₹5.00 lakhs for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/ revise the Bid amount to less than the Floor Price or higher than the Cap Price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
18. Anchor Investors should not bid through the ASBA process;
19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not submit the GIR number instead of the PAN;
22. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Manager;
23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
24. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/ Issue Closing Date;
25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Issue Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Issue;
29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
30. 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 UPI Bidders using the UPI Mechanism;
31. Do not Bid if you are an OCB;
32. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and
33. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders.
34. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹5.00 lakhs;

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **GROUND FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, 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 UPI Bidders 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 UPI Bidders 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 Banks);
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. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. 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;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹2.00 lakhs;



13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. 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 Exchanges. On the Bid/ Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre- Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance officer. For details of the Company Secretary and Compliance officer, see “*General Information*” beginning on page 72 of this Draft Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in 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, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

#### **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 Draft Red Herring Prospectus. 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.

#### **Flow of Events from the closure of bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant’s bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment post review by BRLM with the Designated Stock Exchange (DSE).
- The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

#### **Process for generating list of allottees: -**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drwal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the

system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.

- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advise the SCSBs to debit or unblock the respective accounts.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified shall be achieved before our Company proceeds to get the basis of allotment approved by the Stock Exchange.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

#### **NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The authorised employees of the Stock Exchange, along with the Book Running Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB

shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

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

#### **METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME**

Our Company will not make any allotment in excess of the Equity Shares offered through this Offer document.

The allotment of Equity Shares to bidders other than to the RIBs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion and the remaining available shares, if any, shall be allotted on a proportionate basis. Further, not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations. Further, the allocation to each Non-Institutional Investor shall not be less than Minimum NIB Application Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

#### **PAYMENT INTO ANCHOR INVESTOR ESCROW ACCOUNTS**

Our Company in consultation with the Book Running Lead Manager 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 Anchor Investor Escrow Account should be drawn in favor of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

#### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat where our Registered Office is located) each 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, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **ALLOTMENT ADVERTISEMENT**

Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of English national daily

newspaper, [●], all editions of Hindi national daily newspaper, [●] and [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat ,where our Registered Office is located) each with wide circulation.

**The information set out above is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

## **SIGNING OF THE UNDERWRITING AGREEMENT AND FILING WITH THE ROC**

Our company has entered into an Underwriting Agreement dated [●].

After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, the Issue size, and underwriting arrangements and will be complete in all material respects.

## **Depository Arrangements**

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see “*Terms of the Issue*” on page 308 of this Draft Red Herring Prospectus.

## **IMPERSONATION**

**Attention of the bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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, for fraud involving an amount of at least ₹10.00 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10.00 lakhs 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 with imprisonment for a term which may extend to five years or with fine which may extend to ₹50.00 lakhs or with both.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/ Issue Closing Date or such other period as may be prescribed;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within three Working Days from the Bid/ Issue Closing Date or such other prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoters' contribution, if any, shall be brought in advance before the Bid/ Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- that if our Company does not proceed with the Issue after the Bid/ Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges shall be informed promptly;

#### **UTILISATION OF ISSUE PROCEEDS**

Our Company, severally and not jointly, specifically confirm that all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and 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 the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued, issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI SAST Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Nondebt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI policy, FDI in companies engaged in the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 321 of this Draft Red Herring Prospectus. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

**The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws of the United States. Accordingly, the Equity Shares are only being issued and sold only outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions 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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Issue and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## **SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

### **THE COMPANIES ACT, 2013 COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION OF DESCO INFRATECH LIMITED#**

#### **I. CONSTITUTION OF THE COMPANY AND INTERPRETATION CLAUSE**

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 inconsistent with these Articles.

B. “Public Company” means a company which---

(a) is not a private company;

(b) has a minimum paid-up share capital as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

C. The marginal notes hereto shall not affect the construction hereof, In these presents, the following words and expressions shall have the following meanings unless exclude by the subject or context:

a. ‘The Act’ or ‘The Companies Act’ shall mean ‘The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.’

b. ‘The Board’ or ‘The Board of Directors’ means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.

c. ‘The Company’ or ‘This Company’ means DESCO INFRATECH LIMITED.

d. ‘Directors’ means the Directors for the time being of the Company.

e. ‘Writing’ includes printing, lithograph, typewriting and any other usual substitutes for writing.

f. ‘Members’ means members of the Company holding a share or shares of any class.

g. ‘Month’ shall mean a calendar month.

h. ‘Paid-up’ shall include ‘credited as fully paid-up’.

i. ‘Person’ shall include any corporation as well as individual.

j. ‘These presents’ or ‘Regulations’ shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.

k. ‘Section’ or ‘Sec’. means Section of the Act.

l. Words importing the masculine gender shall include the feminine gender.

m. Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.

n. ‘Special Resolution’ means special resolution as defined by Section 114 in the Act.

o. ‘The Office’ means the Registered Office for the time being of the Company.

p. ‘The Register’ means the Register of Members to be kept pursuant to Section 88 of the Companies Act 2013.

q. ‘Proxy’ includes Attorney duly constituted under a Power of Attorney.

r. Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the

provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.

s. The Authorized Share Capital of the Company shall be as prescribed in Clause 5 of the Memorandum of Association of the Company

## **II. SHARE CAPITAL AND VARIATION OF RIGHTS**

1. Subject to the 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 allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

2. 'Member' right to share Certificates

i. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:

a. One certificate for all his shares; or

b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.

ii. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.

iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

iv. The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorized official(s) of the Company.

One Certificate for joint holders

v. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.

3. (a) If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.

(b) For every certificate issued under the last preceding Article, no fee shall be charged by the Company.

(c) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company. Splitting and consolidation of Share Certificate

(d) The shares of the Company will be split up/consolidated in the following circumstances:

(i) At the request of the member/s for split up of shares in marketable lot.

(ii) At the request of the member/s for consolidation of fraction shares into marketable lot.

Directors may issue new Certificate(s)

(e) The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company



either at a premium or at par or at a discount, (subject to compliance with the provisions of Section (53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.

#### Trust not recognised

4. Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

#### Power to pay commission

5. The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any Issue of shares, pay such brokerage as may be lawful.

#### Issue of further shares with disproportionate rights

6. (i) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.

(ii) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

7. Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking *pari passu* therewith.

8. (i) Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

(II) The Company may issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.

(iii) The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:

I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

(b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(c) 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 clause(b) shall contain a statement of this right

(d) After the expiry of the time specified in the notice aforesaid, or in respect 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 as it thinks most beneficial to the Company.

II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.

III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:

(iv) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and

(v) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

(vi) The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.

(vii) As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.

(viii) An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

(ix) If, by the conditions of allotment of any share, the whole or part of the amount or issue price 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 and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.

## **LIEN**

Company's lien on shares

9. The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

As to enforcing lien by sale

10. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death or insolvency of the registered holder.

Authority to transfer

11. a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.

b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. Application of proceeds of sale

12. The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

## **CALLS ON SHARES**

Calls

13. Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

When call deemed to have been made

14. (a) A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

#### Length of Notice of call

(b) Not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

#### Liability of joint holders of shares

15. The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share or shares.

#### When interest on call or instalment payable

16. If the sum payable in respect of any call or, instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.

#### Sum payable in fixed instalments to be deemed calls

17. (a) If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or instalment accordingly.

#### Sums payable at fixed times to be treated as calls

(b) The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

#### Payment of call in advance

18. (a) The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

#### Partial payment not to preclude forfeiture

(b) Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

### **TRANSFER OF SHARES**

#### Transfer

19. a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.

b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.

e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

f. Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.

Board's right to refuse to register

20. a. The Board, may, at its absolute discretion and without assigning any reason, decline to register

1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or

2. Any transfer or transmission of shares on which the Company has a lien

Provided that registration of any 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 a lien on the shares.

b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.

c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.

d. The provisions of this clause shall apply to transfers of stock also.

Further right of Board of Directors to decline to recognize any instrument of transfer

21. the board may decline to recognise any instrument of transfer unless –

a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

c. the instrument of transfer is in respect of only one class of shares.

22. i. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

No transfer to infant, etc.

ii. No transfer shall be made to an infant or a person of unsound mind.

Endorsement of transfer and issue of certificate

iii. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.

Custody of transfer

iv. The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years. or more.

Register of members

v. a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.

b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

When instruments of transfer to be retained

c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

Company's right to register transfer by apparent legal owner

vi. The Company shall incur no liability or responsibility whatever in consequence of their 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 persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to 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 the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

### **TRANSMISSION OF SHARES**

Rights to shares on death of a member for transmission

23. a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.

b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just. Rights and liabilities of person

24. 1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either

a. to be registered himself as a holder of the share or

b. to make such transfer of the share as the deceased or insolvent member could have made.

2. The Board, shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Notice by such a person of his election

25. a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects

b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

## FORFEITURE OF SHARES

If call or instalment not paid, notice may be given

28. (a) If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

Evidence action by Company against shareholders

(b) On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any 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 matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Form of Notice

29. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

If notice not complied with, shares may be forfeited

30. (a) If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Notice after forfeiture

(b) When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Boards' right to dispose of forfeited shares or cancellation of forfeiture

31. A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

Liability after forfeiture

32. (a) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his Liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

(b) The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

Evidence of forfeiture

33. A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Non-payment of sums payable at fixed times

34. (a) The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified. Validity of such sales

(b) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register 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.

#### **ALTERATION OF CAPITAL**

35. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

36. a. The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:

- i. increase its share capital by such amount as it thinks expedient by issuing new shares;
- ii. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- iii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
- iv. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on 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 shares from which the reduced share is derived.
- v. Cancel shares which, at the date of 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.
- vi. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.

b. The resolution whereby any share is sub-divided may determine that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.

37. Conversion of shares into stock

- i. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa. Transfer of stock
- ii. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Right of stockholders

iii. The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its 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.

Applicability of regulations to stock and stockholders

iv. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

38. (i) The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:

- a. its share capital;
- b. any capital redemption reserve account, or

c. any share premium account.

#### Surrender of shares

(ii) The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof. Power of modify shares

(iii) The rights and privileges attached to each class of shares may be modified, commuted, affected, and abrogated in the manner provided in Section 48 of the Act.

#### Set-off of moneys due to shareholders

(iv) Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls. (v)

### **DEMATERIALISATION OF SECURITIES**

#### a) Definitions

For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities and Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

'Security' means such security as may be specified by SEBI from time to time.

#### b) Dematerialisation of securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialize its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

#### c) Options for investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

#### d) Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 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 and 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 security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) 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 securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

#### f) Service of documents

Notwithstanding anything 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.

#### g) Transfer of securities

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.



h) Allotment of securities dealt with in a depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

i) Distinctive numbers of securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

j) Register and Index of Beneficial owners

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

### **CAPITALISATION OF PROFITS**

39. Capitalisation of Profits a. The Company in General Meeting, may on the recommendation of the Board, resolve:

1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and

2. that such sum be accordingly set free for distribution in the manner specified in under the act amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained under the act either in or towards:

1. paying up any amount for the time being unpaid on any share held by such members respectively;

2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or

3. Partly in the way specified in Sub-clause (1) and partly in that specified in Sub-clause (2).

c. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

d. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

40. Powers of Directors for declaration of Bonus

a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:

1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and

2. generally do all acts and things required to give effect thereto.

b. The Board shall have full power:

1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;

2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.

c. Any agreement made under such authority shall be effective and binding on all such members.

### **BUY-BACK OF SHARES**

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### **GENERAL MEETINGS**

#### Annual General Meeting

42. The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act. Extraordinary General Meeting

43.

(I) Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.

#### Right to summon Extraordinary General Meeting

(ii) The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.

#### Extraordinary Meeting by requisition

(iii) a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.

b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.

c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.

d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.

e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

#### Length of notice for calling meeting

(iv) A General Meeting of the Company may be called by giving not less than twenty-one days' notice in writing, provided that a General Meeting may be called after giving shorter notice of seven days or less if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting. Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

#### Accidental omission to give notice not to invalidate meeting

(v) The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

#### Special business and statement to be annexed

(vi) All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key

Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

### **PROCEEDINGS AT GENERAL MEETINGS**

#### **Quorum**

44. i. The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:

Number of members upto 1000: 5 members personally present

Number of members 1000-5000: 15 members personally present

Number of members more than 5000:30 members personally present

If quorum not present, when meeting to be dissolved and when to be adjourned

ii. If within half an hour from the time appointed for the meeting,, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

#### **Chairman of General Meeting**

45. The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company. When Chairman is absent

46. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

### **ADJOURNMENT OF MEETING**

49. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, 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.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING RIGHTS**

50. (i.) At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportions of the votes recorded in favour of or against that resolution.

(ii) a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.

b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting.

Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.

c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.

51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

#### Joint holders

52. In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Member of unsound mind

53. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.

#### Taking of poll

54. (i) If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

#### In what cases poll taken without adjournment

(ii) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

#### Business may proceed notwithstanding demand for poll

(iii) A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; the demand for a poll may be withdrawn at any time by the person or persons who made the demand.

#### Proxies permitted on polls

(iv) On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.

#### No member entitled to vote while call due to Company

55. No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

56. 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 Chairperson of the meeting, whose decision shall be final and conclusive

## PROXY

#### Instrument of proxy

57. a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.

b. A body corporate (whether a company within the meaning of this Act or not) may:

1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;

2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

c. A person authorised by resolution as aforesaid 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 if he were personally the member, creditor or debenture holder.

#### Form of proxy

58. Any instrument appointing a proxy may be a two-way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

#### Validity of vote by proxy

59. i. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### Instrument of proxy to be deposited at the office

ii. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

### **BOARD OF DIRECTORS**

#### Number of Directors

60. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.

The subscribers to the Memorandum of Association and Article of Association of the company shall be the first directors of the Company.

Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.

#### Director's remuneration

61. a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 and schedule V of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.

b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.

c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as

Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.

d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit, such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of this Article.

62. The Board may pay all expenses incurred in getting up and registering the company.

63. Rights of Directors (a) Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.

Directors to comply with Section 184

(b) Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

Directors power of contract with Company

(c) Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.

Register of Directors and KMP and their shareholding

(d) The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act. Business to be carried on

(e) The business of the Company shall be carried on by the Board of Directors.

General Powers of Company vested in Directors

(f) The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Attorney of the Company

(g) The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney 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 Articles 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 members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

Power to authorise sub delegation

(h) The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him. Directors' duty to comply with the provisions of the Act

(i) The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.

To acquire and dispose of property and rights

(j) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit. To pay for property in debentures, etc.

(k) At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure contracts by mortgages

(l) To secure the fulfilment of any contracts or agreements 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 other manner as they think fit.

To appoint officers, etc

(m) To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks 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 powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.

(n) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company:

To refer to arbitration

(o) To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.

To give receipt

(p) To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

To act in matters of bankrupts and insolvents

(q) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

To give security by way of indemnity

(r) 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 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, covenants and provisions as shall be agreed upon.

To give commission

(s) To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.

To make contracts etc.

(t) 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 consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

To make bye-laws

(u) From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.

To set aside profits for provided fund

(v) Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.

To make and alter rules

(w) (i) To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.

(ii). And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.

Powers as to commencement of business

(x) Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such

branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

#### Delegation of power

(y) Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

#### Borrowing Powers

(z) The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient. Assignment of debentures

(aa) Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued. Terms of debenture issue

(bb) i. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

ii. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.

iii. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.



iv. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.

v. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being. Charge on uncalled capital

(cc) Any uncalled capital of the Company may be included in or charged by mortgage or other security. Subsequent assignees of uncalled capital

(dd) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge. Charge in favour of Director of indemnity

(ee) If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

Powers to be exercised by Board only at meeting

(ff) A. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.

i to make calls on shareholders in respect of money unpaid on their shares.

ii. to authorise buy-back of securities under section 68;

iii. to issue securities, including debentures, whether in or outside India;

iv. to borrow monies;

V. to invest the funds of the company,

vi. to grant loans or give guarantee or provide security in respect of loans;

vii. to approve financial statement and the Board's report;

viii. to diversify the business of the company:

ix. to approve amalgamation, merger or reconstruction;

x. to take over a company or acquire a controlling or substantial stake in another company,

xi. to make political contributions; xii. to appoint or remove key managerial personnel (KMP);

xiii. to take note of appointment(s) or removal(s) of one level below the Key Management Personnel; xiv. to appoint internal auditors and secretarial auditor,

xv. to take note of the disclosure of director's interest and shareholding;

xvi. to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid-up share capital and free reserves of the investee company:

xvii. to invite or accept or renew public deposits and related matters;

xviii. to review or change the terms and conditions of public deposit;

xix. to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

xx. such other business as may be prescribed by the Act. B. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses iv, v and vi above.

B. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses iv, v and vi above.

#### **Additional Directors**

66. L. The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 60 above. Any person so appointed as an Additional Director shall hold office up to the date of the next Annual General Meeting of the Company.

### **Managing Director**

- ii a. Subject to the provisions of Section 196, 197, 2(94), 203 of the Act, the following provisions shall apply:
- b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.
- c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.
- d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.
- e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.
- f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/ Managing Directors shall exercise all powers set out in Article 63 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

### **Whole-time Director**

- iii. a. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Wholetime Director or Wholetime Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.
- b. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.

### **Alternate Directors**

- iv. (a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause "the Original Director during his absence for a period of not less than 3 months from India.
- (b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

### **Independent Directors**

- v. (a) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or applicable Regulations of SEBI (LODR) Regulations, 2015, whichever is higher, from time to time.
- (b) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013.
- (c) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and shall not be liable to retire by rotation.

### **Women Director**

- vi. The Directors shall appoint one women director as per the requirements of section 149 of the Act

### **Debenture Director**

- vii. Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and reappoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director"

and the term "Debenture Director" means the Director for the time being in office under this Article. The 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.

The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

#### **Corporation/Nominee Director**

viii. a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company the any finance corporation or credit corporation or body, (herein after in this Article referred to as "The Corporation") out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or instalments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (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 so appointed, any person or persons in his or their place(s).

b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director's as long as such default continues. Such Nominee Director's shall not be required to hold any share qualification in the Company, and such Nominee Director's shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director's shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation 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 power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director's appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.

The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director's shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

c. The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 60.

#### **Disclosure of interest of Directors**

ix. a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining

whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company

b. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

#### Rotation and retirement of Directors

x. At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.

#### Retiring Directors, eligible for re-election

xi. A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.

#### Which Directors to retire

xii. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

#### Retiring Directors to remain in office till successors are appointed

xiii Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint 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 holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.

#### Power of General Meeting to increase or reduce number of Directors

xiv. Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 60 and may also determine in what rotation the increased or reduced number is to retire.

#### Power to remove Directors by ordinary resolution

xv. Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

#### Rights of persons other than retiring Directors to stand for Directorships

xvi. Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution".

#### Vacation of office by Directors

xvii. Office of a Director shall be vacated if

1. he is found to be unsound mind by a Court of competent jurisdiction;
2. he applies to be adjudicated as an insolvent;
3. he is an undischarged insolvent,
4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;

5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call,
6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
7. he has not complied with Subsection (3) of Section 152
8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
11. he becomes disqualified by an order of a court or the Tribunal
12. he is removed in pursuance of the provisions of the Act,
13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company. Notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect
  - (a) for thirty days from the date of the adjudication, sentence or order;
  - (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off.
  - (c) where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

### **PROCEEDINGS OF THE BOARD**

#### Meeting of the Board

67. (1) The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.

#### Director may summon meeting

(ii) A Director may at any time request the Secretary to convene a meeting of the Directors and seven days' notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.

#### Question how decided

68. a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

#### Right of continuing Directors when there is no quorum

69. (i) The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of Increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.

#### Quorum

(ii) The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

#### Qualification of Directors

(ii) Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

#### Directors may act notwithstanding vacancy

(iv) The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 69(i) above:

#### Chairman or Vice-chairman of the Board

(v) a. Notwithstanding anything contained in these Articles and pursuant to provisions of the Act. Managing Director of the company will act as Chairman of the board and Deputy Managing Director will act as Vice chairman of the board.

b. Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.

#### Casual vacancy

(vi) If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

#### Election of Chairman to the Board

70. If no person has been appointed as Chairman or Vice Chairman under Article 69(v)(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.

#### Power to appoint Committees and to delegate

71. a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the board may think fit. Delegation of powers

b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.

c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.

#### Proceedings of Committee

d. The meeting and proceedings of any such Committee consisting of two or 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 not superseded by any regulations made by the Directors under the last preceding Article.

#### Election of Chairman of the Committee

72. a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.

b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.

#### Question how determined

73. a. A Committee may meet and adjourn as it thinks proper.

b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

#### Acts done by Board or Committee valid, notwithstanding defective appointment, etc.

74. All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such

Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

#### Resolution by circulation and Minutes

75. (1) Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

#### Minutes

(ii) a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.

b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

#### Key Managerial Personnel

77. Subject to the provisions of the Act,-

(1) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board:

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(ii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

#### Manager

Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

#### Secretary

The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.

78. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officers shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### **COMMON SEAL**

79. (i) The Board may provide for a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.

#### Affixture of Common Seal

(ii) The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

## DIVIDENDS AND RESERVE

### Rights to Dividend

80. 1. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

### Declaration of Dividends

ii. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

### What to be deemed net profits

iii. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

### Interim Dividend

81. 1. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

### Dividends to be paid out of profits only

ii. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

### Reserve Funds

82. a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve

### Method of payment of dividend

83. a. Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.

b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.

c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

### Deduction of arrears

84. (a) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.

### Adjustment of dividend against call

(b) Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.

### Payment by cheque or warrant

85. a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.

b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent

c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

### Retention in certain cases



86. (A) The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

#### Receipt of joint holders

(B) Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:

i. transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and

ii. Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub- section (1) of Section 62 of the Act, and any issue of fully paid- up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act".

(C) Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

#### Notice of Dividends

87. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

#### Dividend not to bear interest

88. (a) No dividend shall bear interest against the Company. Unclaimed Dividend

(b) No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

#### Transfer of share not to pass prior Dividend

(c) Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

## ACCOUNTS

#### Books of account to be kept

89. a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.

b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.

c. The books of accounts shall be open to inspection by any Director during business hours.

#### Where books of account to be kept

d. The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit. Inspection by members

e. The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.

#### Statement of account to be furnished to General Meeting

f. The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.

#### Financial Statements

g. Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

#### Authentication of Financial Statements

h. i. Subject to Section 134 of the Act, every financial statement of the Company shall be signed on behalf of the Board by not less than two Directors.

ii. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

Auditors Report to be annexed

i. The Auditor's Report shall be attached to the financial statements.

Board's Report to be attached to Financial Statements

J. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.

k. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.

I. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.

m. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 88(h).

n. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (j) to (n) of this Article are complied with.

Right of member to copies of Financial Statements

o. The Company shall comply with the requirements of Section 136. Accounts to be audited

p. i. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

ii. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.

iii. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.

iv. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.

v. The Company shall, within seven days of the Central Government's power under Subclause (iv) becoming exercisable, give notice of that fact to that Government.

vi. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and

2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.

vii. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting. viii. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section

140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.

ix. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

x. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

#### Audit of Branch Offices

q. The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

#### Remuneration of Auditors

r. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board. Rights and duties of Auditors

s. a. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.

b. All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

c. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:

1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and

2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.

d. The Auditor's Report shall also state:

(a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;

(b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;

(c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report,

(d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;

(e) whether, in his opinion, the financial statements comply with the accounting standards;

(f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;

(g) whether any director is disqualified from being appointed as a director under subsection (2) of section 164;

(h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

(i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;

(j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;

(k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

(l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

e. Where any of the matters referred to in Clauses (1) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.

f. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

Accounts whether audited and approved to be conclusive

t. Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.

## **WINDING UP**

Winding up

90. i. Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

Division of assets of the Company in specie among members

ii. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

## **INDEMNITY AND RESPONSIBILITY**

Directors' and others' right to indemnity

91. a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.

b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/ employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for 37 38 39

joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortious act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.

## **OTHERS**

### **SECURITY CLAUSE**

92. a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or

any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.

b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

### **REGISTERS, INSPECTION AND COPIES THEREOF**

93. a. Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days' notice to the company about his intention to do so.

b. Any Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

### **GENERAL AUTHORITY**

94. Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

### **AUTHENTICATION OF DOCUMENTS**

Authentication of document and proceeding

95. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.

### **ANNUAL RETURNS**

Annual Returns

96. The Company shall make the requisite annual return in accordance with Section 92 of the Act

### **SERVICE OF NOTICE**

Service of documents on the Company

97. A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act. How documents to be served to members

98. a. A document (which expression for this purpose shall be deemed to included and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.

b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.

c. Where a document is sent by post:

i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;

ii, in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and

iii. in any other case, at the time at which the letter should be delivered in the ordinary course of post.

#### Members to notify address in India

99. Registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

#### Service on members having no registered address in India

100. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

#### Service on persons acquiring shares on death or insolvency of members

101. A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred. Notice valid though member deceased

102. Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

#### Persons entitled to Notice of General Meeting

103. Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;

(a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member,

(b) the auditor or auditors of the company; an

(c) every director of the company. Any accidental omission to give notice to, or the non- receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

#### Advertisement

104. a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.

b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.

#### Transference, etc. bound by prior notices

105. Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.

#### How notice to be signed

106. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

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***#The name of the Company was changed from “Desco Infratech Private Limited” to “Desco Infratech Limited” vide Special Resolution passed by the Members in their Extra-Ordinary General Meeting held on June 01, 2024.***

## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. to 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Issue Closing Date. The copies of the contracts and documents for inspection referred to hereunder will be uploaded on the website of our Company at, and will be available for inspection from date of the Red Herring Prospectus until the Bid/ Issue Closing Date (except for such agreements executed after the Bid/ Issue Closing Date).

#### MATERIAL CONTRACTS

1. Issue Agreement dated September 26, 2024 between our Company and the Book Running Lead Manager.
2. Registrar Agreement dated September 26, 2024 between our Company and the Registrar to the Issue.
3. Banker to the Issue agreement dated [●] between our Company, Book Running Lead Manager, Registrar to the Issue and Public Issue Bank/refund Bank/Sponsor bank.
4. Market Making Agreement dated [●] between our Company and the Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company and Book Running Lead Manager and the Underwriter.
6. Syndicate Agreement dated [●] amongst our Company, the Book Running Lead Manager, and Syndicate Members.
7. Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated February 13, 2024.
8. Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated September 04, 2024.

#### MATERIAL DOCUMENTS

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation dated January 11, 2011 issued under the name '*Desco Infratech Private Limited*' by Registrar of Companies, Gujarat.
3. Copy of Fresh Certificate of Incorporation dated July 26, 2024 issued by the RoC consequent to name change from '*Desco Infratech Private Limited*' to '*Desco Infratech Limited*' pursuant to the conversion of our Company into a Public Limited Company.
4. Resolution of the Board of Directors dated September 25, 2024 in relation to the Issue.
5. Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held on September 26, 2024 in relation to the Issue.
6. Examination report for Restated Financial Statements dated September 26, 2024 from our Peer Review Auditor included in this Draft Red Herring Prospectus.
7. The Statement of Possible Tax Benefits dated September 26, 2024 from our Peer Review Auditor included in this Draft Red Herring Prospectus.
8. Copies of Audited Financial Statements of the Company for the financial year ended March 31, 2024, 2023 and 2022.
9. Consents of our Directors, Promoters, Company Secretary and Compliance Officer, Chief Financial Officer, Chartered Engineer, Statutory and Peer Review Auditors, Banker(s) to the Company, Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Banker to the Issue, Syndicate Member, Underwriter and Market Maker to act in their respective capacities.

10. Certificate on KPI's issued by the Peer Reviewed Auditor namely M/s K.A. Sanghavi and Co. LLP, Chartered Accountants dated September 26, 2024.
11. Board Resolution dated September 30, 2024 for approval of Draft Red Herring Prospectus, dated for [●] approval of Red Herring Prospectus.

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 the other parties, without the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- <b>Mr. Pankaj Pruthu Desai</b> Chairman and Managing Director <b>DIN: 03344685</b>	Sd/- <b>Mr. Malhar P Desai</b> Whole Time Director <b>DIN: 07293599</b>
Sd/- <b>Mr. Samarth Pankaj Desai</b> Executive Director <b>DIN: 08019677</b>	Sd/- <b>Mr. Amulya Kuma Jena</b> Executive Director <b>DIN: 09594511</b>
Sd/- <b>Mr. Anand Jayaramakrishnan</b> Non-Executive Independent Director <b>DIN: 10718835</b>	Sd/- <b>Ms. Anita Digbijay Paul</b> Non-Executive Independent Director <b>DIN: 10718358</b>
Sd/- <b>Mr. Kaushal Manishkumar Rangoonwala</b> Non-Executive Independent Director <b>DIN: 10718780</b>	Sd/- <b>Mr. Mahendra Sabarsinh Gusain</b> Non-Executive Independent Director <b>DIN: 10636208</b>

### SIGNED BY THE CFO AND CS OF OUR COMPANY

Sd/- <b>Ms. Prinkle Jain</b> Chief Financial Officer	Sd/- <b>Ms. Gandharva Javanika</b> Company Secretary and Compliance Officer
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**Date:** September 30, 2024

**Place:** Gujarat