



**ENVIROTECH SYSTEMS LIMITED**  
**CIN: U31101DL2007PLC159075**

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
A-29,Block-A ,Shyam Vihar Phase-I, New Delhi, India, 110043	B1A, 19 1st Floor, Sec 51 Noida, Uttar Pradesh, India, 201301	Ms. Pallvi Sharma, Company Secretary & Compliance Officer	Email: <a href="mailto:cs@envirotechltd.com">cs@envirotechltd.com</a> Tel. No.: +0120-4337633 / 4337439	<a href="http://www.envirotechltd.com">www.envirotechltd.com</a>
<b>PROMOTERS OF THE COMPANY</b>				
<b>MR. MANOJ KUMAR GUPTA AND MS. SINDHU GUPTA</b>				
<b>DETAILS OF THE ISSUE</b>				
TYPE	FRESH ISSUE	OFFER FOR SALE	ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs
Fresh Issue	Upto 54,00,000 Equity Shares aggregating up to [●] Lakhs	Nil	[●] Lakhs	The Issue is being made in terms regulation 229(2) of SEBI (ICDR) Regulations, 2018 as amended. For details in relation to share Reservation among QIBs, NIIs and RIIs, see “Issue Structure” on page 249 of this Draft Red Herring Prospectus.
<b>DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS, AND THEIR COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES</b>				
<b>RISK IN RELATION TO THE FIRST ISSUE</b>				
The face value of the Equity Shares is ₹10/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in “Basis for Issue Price” on page 92 or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
<b>GENERAL RISKS</b>				
Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to chapter titled “Risk Factors” beginning on Page No. 22 of this Draft Red Herring Prospectus.				
<b>ISSUER’S ABSOLUTE RESPONSIBILITY</b>				
Our company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this 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.				
<b>LISTING</b>				
The Equity Shares issued through Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE- Emerge”).				
<b>BOOK RUNNING LEAD MANAGER TO THE ISSUE</b>				
NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE		
 Share India Capital Services Private Limited	Mr. Kunal Bansal	Tel No: +91-0120-4910000 Email Id: <a href="mailto:kunal.bansal@shareindia.co.in">kunal.bansal@shareindia.co.in</a>		
<b>REGISTRAR TO THE ISSUE</b>				
Name and Logo	CONTACT PERSON	Email & Telephone		
 BIGSHARE SERVICES PRIVATE LIMITED	Mr. Babu Rapheal C	Tel. No.: 011-42425004 Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>		
<b>BID/ISSUE PROGRAMME</b>				
<b>ANCHOR INVESTOR PORTION ISSUE OPENS/CLOSES ON:</b>			[●]	
<b>BID/ISSUE OPENS ON:</b>			[●]	
<b>BID/ISSUE CLOSES ON:</b>			[●]	

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

**ENVIROTECH SYSTEMS LIMITED****CIN: U31101DL2007PLC159075**

Our Company was originally incorporated as “*Envirotech Gensets Private Limited*” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 09, 2007, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on June 01, 2009, the name of our Company was changed to “*Envirotech Systems Private Limited*” and a fresh certificate of incorporation dated June 10, 2009 was issued to our Company by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on May 04, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to “*Envirotech Systems Limited*” and a fresh certificate of incorporation dated June 03<sup>rd</sup>, 2022 was issued to our Company by the Registrar of Companies, NCT of Delhi and Haryana. The Corporate Identification Number of our Company is U31101DL2007PLC159075. For details of change in registered office of our Company, please refer to chapter titled “*History and Corporate Structure*” beginning on page no. 139 of this Draft Red Herring Prospectus.

**Registered Office:** A-29, Block-A, Shyam Vihar Phase-I, Delhi, India, 110043 **Corporate Office:** B1a 19 1st Flr, Sec 51 Noida, Uttar Pradesh, India, 201301 **Tel. No.:** 0120-4337633 / 4337439,

**Email:** [cs@envirotechld.com](mailto:cs@envirotechld.com); **Website:** [www.envirotechld.com](http://www.envirotechld.com) **Contact Person:** Ms. Pallvi Sharma, Company Secretary & Compliance Officer.

**OUR PROMOTERS: MR. MANOJ KUMAR GUPTA AND MS. SINDHU GUPTA**

**THE ISSUE**

**INITIAL PUBLIC ISSUE OF UPTO 54,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF ENVIROTECH SYSTEMS LIMITED (“ESL” OR “OUR COMPANY”) FOR CASH AT A PRICE OF [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO [●] LAKHS, OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF [●] AGGREGATING TO [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”) AND NET ISSUE TO PUBLIC OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF [●] AGGREGATING TO [●] LAKHS (HEREINAFTER 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.**

\* Subject to finalization of Basis of Allotment.

**THE PRICE BAND WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER I.E. [●], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER AND REGIONAL EDITION OF THE REGIONAL NEWSPAPER WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”, REFERRED TO AS THE “DESIGNATED STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.**

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

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, 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 253 of this Draft Red Herring Prospectus.

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled “Issue Procedure” beginning on page 253 of this Draft Red Herring Prospectus

**RISK 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 of our Company. The face value of the Equity Shares is ₹10/- each. The Issue Price, Floor Price or the Price Band 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to chapter titled “Risk Factors” beginning on Page No. 22 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 the 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 NSE EMERGE. In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, our Company has received in-principle approval letter dated [●] from National Stock Exchange of India Limited (“NSE”) for using its name in this Issue document for listing our shares on the SME Platform of NSE. For the purpose of this Issue, the designated Stock Exchange will be National Stock Exchange of India Limited (“NSE”).

**BOOK RUNNING LEAD MANAGER TO THE ISSUE****REGISTRAR TO THE ISSUE**

 <p><b>Share India</b> You generate, we multiply</p>	<p><b>SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED</b> A-15, Basement, Sector-64, Noida – 201301, Uttar Pradesh, India <b>Tel. No.:</b> +91-0120-4910000 <b>Investor Grievance Email:</b> <a href="mailto:info@shareindia.com">info@shareindia.com</a> <b>Contact Person:</b> Mr. Kunal Bansal <b>Email:</b> <a href="mailto:kunal.bansal@shareindia.co.in">kunal.bansal@shareindia.co.in</a> <b>SEBI Registration No.:</b> INM000012537</p>		<p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> 302, Kusal Bazar, Nehru Place, New Delhi, Delhi - 110019 <b>Tel. No.:</b> 011-42425004 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Mr. Babu Rapheal C <b>SEBI Registration No.:</b> MB/INR000001385</p>
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**BID/ISSUE PROGRAMME**

<b>ANCHOR INVESTOR BIDDING DATE</b>	[●]
<b>BID/ISSUE OPENS ON</b>	[●]
<b>BID/ISSUE CLOSES ON</b>	[●]

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

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## SECTION I – DEFINITIONS AND ABBREVIATIONS

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

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

*Further, Issue related terms used but not defined in this Draft Red Herring Prospectus and Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document.*

*Notwithstanding the foregoing, the terms used in the sections “Industry Overview”, “Key Industry Regulations”, “Statement of Tax Benefits”, “Restated Financial Statements”, “Basis for Issue Price”, “Outstanding Litigations And Material Developments” and “Main Provision of Articles of Association” beginning on pages 101, 144, 98, 172, 92, 221 and 288 respectively, of this DRHP shall have the meaning ascribed to them in the relevant section.*

### GENERAL AND COMPANY RELATED TERMS

Term	Description
“Envirotech”, “ESL” “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Envirotech Systems Limited, a public limited company, registered under the Companies Act, 2013 and having its registered office at A-29,Block-A ,Shyam Vihar Phase-I, New Delhi, Delhi, India, 110043 and Corporate office at B1A, 19, 1 <sup>st</sup> Floor, Sec-51, Noida, Uttar Pradesh, 201301
“you”, “your” or “yours”	Prospective investors in this Issue
Our Promoters	Mr. Manoj Kumar Gupta, Mrs. Sindhu Gupta
Promoter’s Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “Our Promoters and Promoter’s Group”.

### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “Our Management” on page 151 of this Draft Red Herring Prospectus.
Bankers to the Company	HDFC Bank and Yes Bank
Board of Directors / Board/BOD	The Board of Directors of Envirotech Systems Limited unless otherwise specified.
Companies Act	The Companies Act, 1956 and/or the Companies Act, 2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e. U31101DL2007PLC159075
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being Mr. Ashok Kumar Shekhawat
Chief Executive Officer (CEO)	The Chief Executive officer of our Company, being Mr. Vikas Khanna.
Company Secretary and Compliance Officer (CS)	The Company Secretary and Compliance Officer being Ms. Pallvi Sharma
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
DIN	Director Identification Number

Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company
ED	Executive Director
Group Companies	Group Companies as defined under Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, “Group companies shall include such companies (other than our Promoters and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Information as covered under the applicable accounting standards, and as disclosed in “ <i>Group entities of our company</i> ” on page 223 of this Draft Red Herring Prospectus.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For details of our Independent Directors, see “ <i>Our Management</i> ” on page 151 of this Draft Red Herring Prospectus.
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	INE0SUH01015
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “ <i>Our Management</i> ” on page 151 of this Draft Red Herring Prospectus.
LLP	LLP incorporated under the Limited Liability Partnership Act, 2008.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on March 23 <sup>rd</sup> , 2024 in accordance with the requirements of the SEBI ICDR Regulations.
MD	Managing Director
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Non-Residents	A person resident outside India, as defined under FEMA
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 151 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000.
Registered Office	A-29, Block-A, Shyam Vihar Phase-I, New Delhi, India, 110043
Restated Financial Information	The Restated Financial Information of our Company, which comprises the Restated Statement of assets and liabilities, the Restated Statement of profit and loss, the Restated Statement of cash flows for the period ended on December 31, 2023, March 31, 2023, March 31, 2022, March 31, 2021 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
ROC / Registrar of Companies	Registrar of Companies, Delhi
Statutory Auditors	The Statutory Auditors of our Company, being For Vishal Kaushal & Co., Chartered Accountants, holding a valid peer review certificate, as mentioned in the section titled “ <i>General Information</i> ” beginning on page 49 of this Draft Red Herring Prospectus.
Peer Reviewed Auditor	The Peer Reviewed Auditor of our Company, being For HCO & Co., Chartered Accountants, holding a valid peer review certificate, as mentioned in the section titled “ <i>General Information</i> ” beginning on page 49 of this Draft Red Herring Prospectus.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 151 of this Draft Red Herring Prospectus.
WTD	Whole-Time Director

## ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue pursuant to successful Bidders.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in paragraph titled 'Basis of allotment' under chapter titled "Issue Procedure" starting from page no. 253 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 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 Draft 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	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Delhi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Delhi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Bid/ Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.

Bidder/ Investor	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidders.
Bidding Centres	Centres 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 Centres 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	Book Running Lead Manager to the Issue, in this case being Share India Capital Services Private Limited, SEBI Registered Category I Merchant Banker.
Bankers to the Issue and Refund Banker	[●]
Bidding Centres	Centres 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 Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price.
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. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
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
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus, after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder 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 bidder can submit the Bid cum Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where bidder can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated Intermediaries/ Collecting Agent	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
DP ID	Depository Participant’s Identity Number
Draft Red Herring Prospectus	This Draft Red Herring Prospectus issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Escrow Account	Accounts to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
First/ Sole bidder	The bidder whose name appears first in the Bid cum 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 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
Fresh Issue	The Fresh Issue of [●] Equity Shares aggregating up to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018

Terms	Description
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
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	Initial Public Offering
Issue document	Includes Draft Red Herring Prospectus and Prospectus filed with Registrar of Companies.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application
Issue Proceeds	Proceeds to be raised by our Company through this Fresh Issue, for further details please refer chapter titled “Objects of the Issue” page 84 of this Draft Red Herring Prospectus
Issue/ Issue Size/ Initial Public Issue/ Initial Public Issue/ Initial Public Offering/ IPO	The initial public offering of [●] Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs comprising the Fresh Issue.
Issue Price	The price at which the Equity Shares are being issued by our Company through this Draft Red Herring Prospectus, being ₹ [●] /- (including share premium of ₹ [●] /- per Equity Share).
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Making Agreement	The Market Making Agreement dated April 17, 2024 between our Company, Book Running Lead Manager and Market Maker.
Market Maker	The Market Maker to the Issue, in this case being Share India Securities Limited
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹ 10 each at an Issue price of ₹ [●] each aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Issue.
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 [●] Equity Shares of Face Value of ₹ 10.00 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company.
Net Proceeds	The proceeds from the Fresh Issue less the Issue related expenses applicable to the Fresh Issue. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “Objects of the Issue” beginning on page 84 of this Draft Red Herring Prospectus.
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Offer Document	Offer Document includes Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.
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 of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company, in consultation with the BRLM, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions [●] (a widely circulated Hindi national daily newspaper) and All edition of [●] (a widely circulated Marathi daily newspaper, [●] being the regional language of [●], where our Registered and Corporate Office is situated) at least two Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective website.
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 bidder, on the Designated Date.
Public Issue Account Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Qualified Institutional Buyers / QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Registrar / Registrar to the Issue	Registrar to the Issue being Big Share Services Private Limited.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Retail Individual Investors /(RII)	Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹ 2,00,000.
Registered Broker	Stockbrokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	The form used by the bidders to modify the quantity of Equity Shares or the bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> & <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>

Terms	Description
Sponsor Bank	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
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 bidders, as proof of registration of the bid.
Underwriter	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 entered into between the Underwriter and our Company dated April 17, 2024.
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Circular	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, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number 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/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, 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 and Stock Exchanges in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Wilful Defaulter	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Draft Red Herring Prospectus are open for business:- <ol style="list-style-type: none"> <li>1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Prospectus are open for business.</li> <li>2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.</li> </ol>

## TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
ISO	International Organization for Standardization
AC	Anechoic Chambers
NM	Noise mapping
NB	Noise barrier
AE	Acoustic Enclosure
SPL	Sound Pressure Level
NEX	Noise Exposure Level
SIR	Sound Insulation Rating
NRR	Noise Reduction Rating
FY	Financial Year
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
PAT	Profit After Tax
WCTL	Working Capital Term Loan
GECL	Guaranteed Emergency Credit Line
LC	Letter of Credit
ITR	Income Tax Return
EMI	Equal Monthly Installments
GDP	Gross Domestic Product
CAD	Current Account Deficit
RBI	Reserve Bank of India
US/USA	United States of America
ECLGS	Emergency Credit Linked Guarantee Scheme
MSME	Micro, Small, and Medium Enterprises
NSO	National Statistical Office
IMF	International Monetary Fund
CAGR	Compounded Annual Growth Return
FDI	Foreign Direct Investment

## CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CFSS	Companies Fresh Start Scheme under Companies Act, 2013
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL

Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director identification number
DP/ Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
DP ID	Depository Participant's Identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EMDE	Emerging Market and Developing Economy
EoGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government/GoI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
LIC	Low-Income Country
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate

NSE	National Stock Exchanges of India Limited
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the NSE
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America

VCFs	<p>Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.</p> <p>In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.</p>
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## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

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

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Envirotech Systems Limited”, “ESL”, and, unless the context otherwise indicates or implies, refers to Envirotech Systems Limited. In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### Use of Financial Data

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and in Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our financial statements prepared and restated for the year ended on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Restated Financial Information*” beginning on page 172 of this Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Business Overview*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s Restated Financial Information prepared in accordance with the applicable provisions of the Companies Act, Indian Ind AS and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “*Restated Financial Information*” beginning on page 172 of this Draft Red Herring Prospectus.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of Articles of Association*”, on page 288 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### Currency and Units of Presentation

All references to:

- “Rupees” or “INR” or “Rs.” Or “₹” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “Lakhs” units. One Lakh represents 1,00,000. 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 Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal place.

### Use of Industry & Market Data

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

Although, we believe industry and market data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard

data gathering methodologies in the industry in which we conduct our business, methodologies, and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled "*Basis for Issue Price*" on page 92 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

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

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

1. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations.
2. Destruction in our manufacturing process.
3. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
4. Failure to attract, retain and manage the transition of our management team and other skilled & unskilled employees;
5. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
6. Ability to respond to technological changes;
7. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
8. Inability to successfully obtain registrations in a timely manner or at all;
9. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
10. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
11. Recession in the market;
12. Changes in laws and regulations relating to the industries in which we operate;
13. Effect of lack of infrastructure facilities on our business;
14. Our ability to successfully implement our growth strategy and expansion plans;
15. Our ability to meet our capital expenditure requirements;
16. Our ability to attract, retain and manage qualified personnel;
17. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
18. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
19. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
20. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
21. Conflicts of interest with affiliated companies, the promoter group and other related parties;
22. The performance of the financial markets in India and globally;
23. Any adverse outcome in the legal proceedings in which we are involved;
24. Our ability to expand our geographical area of operation;

25. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”; “*Business Overview*” & and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 22, 119 and 205 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

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

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## **SECTION II - SUMMARY OF DRAFT RED HERRING PROSPECTUS**

This chapter is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus 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 the chapter titled “*Risk Factors*”, “*Business Overview*”, “*Industry Overview*”, “*Capital Structure, The Issue*” and “*Outstanding Litigation and Material Developments*” beginning on pages 22,119,101,63,43 and 221 respectively of this Draft Red Herring Prospectus.

### **SUMMARY OF INDUSTRY**

India’s Acoustics market i.e. NVH (Noise, Vibration, and Harshness) Testing market has valued at USD 141 million in 2023 and is anticipated to project robust growth in the forecast period with a CAGR of 7.33% through 2029. The Noise, Vibration, and Harshness (NVH) Testing market in India have been experiencing significant growth and transformation in recent years, reflecting the country's dynamic industrial landscape and increasing focus on product quality and performance. NVH testing is a critical aspect of product development and quality assurance across various industries, and India is no exception to this global trend. This burgeoning market is shaped by a multitude of factors, including the rapid expansion of the automotive, aerospace, consumer electronics, and construction sectors, all of which rely heavily on NVH testing to ensure their products meet stringent noise and vibration standards.

The Indian acoustic insulation industry has witnessed significant growth in recent years due to the increasing focus on noise control, improved building standards, and enhanced awareness of the detrimental effects of noise pollution.

For more details, please refer to chapter titled “*Industry Overview*” beginning on page 101 of this Draft Red Herring Prospectus.

### **SUMMARY OF BUSINESS**

Envirotech Systems Limited is a leading acoustic engineering organization specializing in noise measurement and control for industrial and commercial applications. Incorporated in 2007, we have expanded our capabilities to include innovative acoustical product design and manufacturing. With over 98 employees and a network of technical experts, we offer cost-effective solutions for various acoustical challenges in industrial, commercial, architectural, and environmental markets.

Our comprehensive services encompass research, cost-benefit analysis, and engineering solutions to provide you with the most efficient noise abatement solutions.

For more details, please refer to chapter titled “*Business Overview*” beginning on page 119 of this Draft Red Herring Prospectus.

#### **A. NAME OF PROMOTERS**

Promoters of Our Company are Mr. Manoj Kumar Gupta, Mrs. Sindhu Gupta. For detailed information on our Promoters and Promoter’s Group, please refer to Chapter titled “Our Promoters and Promoter’s Group” on page no. 166 of this Draft Red Herring Prospectus.

#### **B. SIZE OF THE ISSUE**

Initial Public Issue of upto 54,00,000 Equity Shares of Face Value of ₹10/- each of Envirotech Systems Limited (“ESL” or “Our Company”) for Cash at a Price of [●] Per Equity Share (Including a Share Premium of [●] per Equity Share) (“Issue Price”) aggregating to [●] Lakhs, of which [●] Equity Shares of Face Value of ₹ 10/- each at a price of [●] aggregating to [●] Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of [●] Equity Shares of Face Value of ₹10/- each at a price of [●] aggregating to [●] Lakhs (hereinafter 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.

For further details, refer chapter “The Issue” and “Other Regulatory and Statutory Disclosures” beginning on page 43 and 229 respectively of this DRHP.

**C. OBJECT OF THE ISSUE**

S. No	Particulars	Amt. (₹ in Lakhs)
1.	Purchase of Land to set up Factory	Upto 1200.00
3.	To Meet Working Capital Requirement*	[●]
4.	General Corporate Expenses**	[●]
5.	To Meet the Issue Expenses	[●]
<b>Gross Issue Proceeds</b>		[●]
<b>Less: Issue Expenses</b>		[●]
<b>Net Issue Proceeds</b>		[●]

For further details, please see “Objects of the Issue” beginning on page 84 of this Draft Red Herring Prospectus.

**D. PRE-ISSUE AND POST ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY**

S. No	Names	Pre- Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
<b>Promoters</b>					
1.	Mr. Manoj Kumar Gupta	91,47,650	68.32%	[●]	[●]
2.	Ms. Sindhu Gupta	37,70,000	28.16%	[●]	[●]
<b>TOTAL (A)</b>		<b>1,29,17,650</b>	<b>96.48%</b>	[●]	[●]
<b>PUBLIC</b>					
3.	Existing Shareholders	4,72,350	3.53%	[●]	[●]
	IPO	-	-	[●]	[●]
<b>GRAND TOTAL</b>		<b>1,33,90,000</b>	<b>100%</b>	[●]	[●]

For further details, refer chapter titled “Capital Structure” beginning on page no. 63 of this Draft Red Herring Prospectus.

**E. SUMMARY OF RESTATED FINANCIAL STATEMENT ON STANDALONE BASIS**

Particulars	For the period ended December 31, 2023	(In Lakhs except EPS and NAV)		
		For the year ended March 31,		
		2023	2022	2021
Share Capital	50.00	50.00	50.00	50.00
Net Worth	1,502.15	661.73	404.40	298.67
Total Revenue from Operations	3,097.67	2,874.78	1,849.54	1,010.47
Profit after Tax	840.42	257.34	105.73	69.70
Earnings Per Share	168.08	51.47	21.15	13.94
Net Asset Value Per Share (₹) (Pre Bonus)	300.43	132.35	80.88	59.73
Net Asset Value Per Share (₹) (Post Bonus)	-	-	-	-
Total Borrowings	547.75	260.67	276.61	301.21

For further information, please refer to chapter titled as “Restated Financial Information” on page 172 of this Draft Red Herring Prospectus.

F. There are no material Auditor’s Qualifications which have not been given effect to in the Restated Financial Information.

For further information, please refer to chapter titled as “Restated Financial Information” on page 172 of this Draft Red Herring Prospectus.

**G. SUMMARY OF OUTSTANDING LITIGATION ARE AS FOLLOWS:**

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

Cases against our Company		(Amount in Lakhs)
Nature of Cases	No of Outstanding Cases	Amount involved
Civil Cases		
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters		
--TDS Demand	1	0.71
--Income Tax Demand (U/s 143)	1	0.96
Other Litigation	--	--

**Cases filed by our Company**

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

For further information, please refer chapter titled "Outstanding Litigations and Material Developments" on page no 221 of this Draft Red Herring Prospectus.

**H.** Investors should read chapter titled "Risk Factors" beginning on page no. 22 of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions.

**I. SUMMARY OF CONTINGENT LIABILITIES**

(Amount In Lakhs)

Particulars	As at	As at 31st March		
	31.12.2023	2023	2022	2021
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	58	57.30	21.92	-
2. Capital Commitment	-	-	-	-
3. Income Tax Demand	-	-	-	-
4. TDS Demands	-	-	-	-
5. ESIC Demand	-	-	-	-
6. Others	2.99	-	-	-
<b>Total</b>	<b>60.99</b>	<b>57.30</b>	<b>21.92</b>	<b>-</b>

For Further details, please refer chapter titled "Restated Financial Statements" beginning on page no. 172 of this Draft Red Herring Prospectus.

**J. 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.

**List of Related Parties and Nature of Relationship:****a) Key Management Personnel:**

- |                           |                   |
|---------------------------|-------------------|
| (1) Mr. Manoj Kumar Gupta | Managing Director |
| (2) Ms. Sindhu Gupta      | Director          |

- |                               |  |
|-------------------------------|--|
| (3) Mr. Rakesh Gupta          | Non- Executive Director                  |
| (4) Mr. Ashok Kumar Shekhawat | Chief Financial Officer                  |
| (5) Mr. Vikas Khanna          | Chief Executive Officer                  |
| (6) Ms. Pallvi Sharma         | Company Secretary and Compliance Officer |

**Restated Statement of related party transaction**

Party Name	For the period ended December 31 <sup>st</sup> ,2023	For the period ended 31 March ,2023	For the period ended 31 March ,2022	For the period ended 31 March ,2021
<b>Remuneration Given:</b>				
Manoj Kumar Gupta	22.50	15.90	15.90	26.40
Sindhu Gupta	18.00	12.60	12.60	12.00
Yash Gupta	4.50	6.00	3.00	-
<b>Loan Taken:</b>				
Manoj Kumar Gupta	292.49	118.67	170.38	84.85
Sindhu Gupta	82.62	42.40	88.00	0.50
Yash Gupta	-	19.05	-	-
Rakesh Gupta	25.00	-	-	-
<b>Loan Repaid:</b>				
Manoj Kumar Gupta	80.96	22.13	132.25	62.23
Sindhu Gupta	28.18	45.00	32.00	-
Yash Gupta	-	13.60	-	-
<b>Salary</b>				
Ashok Kumar Shekhawat	9.90	12.00	8.20	7.32
<b>Total</b>	<b>564.15</b>	<b>313.65</b>	<b>477.93</b>	<b>193.3</b>

For details of Restated related party transaction, please refer chapter titled “Restated Financial Statements” beginning on pageno. 172 of this Draft Red Herring Prospectus.

- K.** There are no financing arrangements whereby the Promoters and Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Red Herring Prospectus .

**L. The weighted average price of acquisition of Equity Shares by our Promoters in last one year is:**

Weighted Average price of equity shares acquired by Our Promoters in last year are mentioned as follows. For further details, refer chapter titled “Capital Structure” beginning on page no. 63 of this Draft Red Herring Prospectus.

S. No.	Name of Promoters	No. of Equity Shares acquired in last One year	Weighted Average Price (in Rs. Per equity shares)*
1	Mr. Manoj Kumar Gupta	88,65,500	Nil
2	Ms. Sindhu Gupta	36,25,000	Nil

\*As certified by Vishal Kaushal & Co., Chartered Accountants, pursuant to their certificate dated April 23, 2024.

**M. The average cost of acquisition of Equity Shares by our Promoters is:**

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

Name of the Promoters	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Manoj Kumar Gupta	91,47,650	0.388
Ms. Sindhu Gupta	37,70,000	0.385

*\* As certified by Vishal Kaushal & Co., Chartered Accountants, pursuant to their certificate dated April 23, 2024.*

- N. 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.
- O. Except Bonus Issue of Shares and transfer of shares as gift as disclosed in chapter titled “Capital Structure” beginning on Page 63 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.
- P. Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.
- Q. As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

## SECTION III - RISK FACTORS

An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this chapter in conjunction with “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 119, 101 and 205, respectively of, as well as the financial and other information contained in, this Draft Red Herring Prospectus.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates 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. For further details, please see the chapter titled “*Forward-Looking Statements*” beginning on page 15 of this Draft Red Herring Prospectus.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for the stub period ended on December 31, 2023, Financial year ended March 31, 2023, Financial year ended March 31, 2022 and Financial year ended March 31, 2021 included in this Draft Red Herring Prospectus.

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 chapter. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

### Materiality

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

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

### INTERNAL RISK FACTORS

- 1. Our Company, Promoters, Directors and Group Companies are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

Our company is currently subject to some tax proceedings for minimal amounts While we are contesting these proceedings, adverse outcomes could result in financial penalties and impact our financial stability. Mentioned below are the details of the proceedings involving our Company, Promoters, Directors and Group Companies as on the date of this Draft Red Herring Prospectus.

For details kindly refer the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page no. 221 of this Draft Red Herring Prospectus. A brief detail of such outstanding litigations as on the date of this Draft Red Herring Prospectus are as follows:

Nature of Cases	Number of Cases	Total Amount Involved (₹ in lakhs)
<b>Proceedings against our Company</b>		
Criminal proceedings	Nil	Nil
Material civil litigation	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	2	₹1.68
Other Pending Litigations	Nil	Nil

<b>Proceedings by our Company</b>		
Criminal proceedings	Nil	Nil
Material civil litigation	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Other Pending Litigations	Nil	Nil
<b>Proceedings against our Promoter</b>		
Criminal proceedings	Nil	Nil
Material civil litigation	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Other Pending Litigations	Nil	Nil
<b>Proceedings by our Promoter</b>		
Criminal proceedings	Nil	Nil
Material civil litigation	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Other Pending Litigations	Nil	Nil
<b>Proceedings against our Directors</b>		
Criminal proceedings	Nil	Nil
Material civil litigation	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Other Pending Litigations	Nil	Nil
<b>Proceedings by our Directors</b>		
Criminal proceedings	Nil	Nil
Material civil litigation	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Other Pending Litigations	Nil	Nil
<b>Proceedings against our Group Companies</b>		
Criminal proceedings	Nil	Nil
Material civil litigation	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Other Pending Litigations	Nil	Nil
<b>Proceedings by our Group Companies</b>		
Criminal proceedings	Nil	Nil
Material civil litigation	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Other Pending Litigations	Nil	Nil

We cannot provide any assurance that these matters will be decided in favour of the above-mentioned entities or persons. Further, there is no assurance that legal proceedings will not be initiated against our Company, its Directors, Promoter or Group Companies in future and shall be paid/settled as per law.

**2. Our Company has reported certain negative cash flows from its operating activity, investing activity and financing activity, details of which are given below.**

Sustained negative cash flow could impact our growth and business. Our Company had reported certain negative cash flows from our operating activities, investing activities and financing activities in the previous three (3) years as per the Restated Financial Statements and the same are summarised as under:

Particulars	For the nine months period ended December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash flow from Operating Activities	305.89	(9.79)	154.81	(55.52)
Cash flow from Investing Activities	(20.41)	(653.96)	(34.45)	(52.50)
Cash flow from Financing Activities	(467.11)	669.13	(133.07)	111.75

**3. We do not own registered office which is used by us currently.**

Our Registered Office is situated at A-29,Block-A ,Shyam Vihar Phase-I, New Delhi, Delhi, India, 110043. The registered office is not owned by us. Our company has taken premises on lease basis and has entered into lease agreement with Mrs. Preeti Shekhawat. The premises have been taken by us on lease for a period of 11 months commencing from December 01, 2023. There can be no assurance that the term of the agreements will be either continued or renewed for further period, and in such event the lessor/licensor terminates or does not renew the agreements, we may require to vacate the registered office and identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability and Brand image also.

**4. The Land being purchased by M/s Envirotech Systems Limited from M/s Oriental Trimex Limited has been pledged by Oriental Trimex Limited as collateral to secure a loan of approximately ₹37.25 crore (against multiple locations properties located at Chennai, Kolkata, Greater Noida (Manufacturing Plants) & New Delhi (Residential) from Edelweiss Bank. In case of any delay in making payment there may be adverse effect on the expansion plans of the business.**

Envirotech Systems Limited faces a significant risk pertaining to the purchase of property from Oriental Trimex Limited. The property in question has been pledged by Oriental Trimex Limited as collateral to secure a loan of approximately ₹37.25 crore from Edelweiss Asset Reconstruction Company Limited. As per the purchase agreement, Envirotech Systems Limited is obligated to make a payment of ₹1174.50 crore to the seller by or before July 30, 2024. Any delay in fulfilling this payment obligation may result in adverse consequences for Envirotech Systems Limited, potentially impeding the company's expansion plans. Moreover, the transfer of ownership and relevant documents, including the original file and a No Dues Certificate, is contingent upon Envirotech Systems Limited meeting its payment obligations satisfactorily. Failure to meet these requirements could lead to delays or complications in the property transfer process, subjecting the company to additional costs and legal risks. Furthermore, Envirotech Systems Limited is responsible for bearing the transfer charges associated with the transaction, adding to its financial commitments. Overall, the company faces risks associated with timely payment obligations, potential delays in property transfer, and additional financial burdens, which could impact its operational and financial stability.

**5. We are highly dependent on our suppliers for uninterrupted procurement and sale of our traded goods. Any disruption of supply from such entities may affect our business operations.**

Our top 10 suppliers constitute 44.01%, 54.53%, 73.35% and 68.14% of total purchase volume for the period ended December 31, 2023, for the Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021, respectively for procurement of raw materials. We have not entered into any long-term supply agreement for procurement of such traded goods. In case of any disruption in supply of traded goods from these suppliers/vendors or our procurement of traded goods on terms that are not favorable to us; will adversely affect our operations and financial cost. Further in case our Company is unable to procure the requisite quantities of traded goods well in time and at competitive prices due to volatility in the prices of raw materials, the performance of our Company may be affected, thus adversely affecting our business, prospects, results of operations and financial condition.

We have not entered into any formal agreement with our suppliers, and hence we cannot be assured that all our traded goods requirements will continue to be met by the suppliers. Our inability to obtain high quality traded goods in a timely and cost-effective manner would cause delays in delivery schedules, which may result in us losing some customers and hence could lead to reduction in revenues. Hence, we also face market risks for each of these products.

**6. We have not made any provision regarding payment of gratuity in our restated and audited financial statements of the company.**

Our company's failure to make provision for gratuity in the restated and audited balance sheet poses a significant risk. As per accounting standards such as AS 15 and IND AS 19, it is mandatory to include gratuity provisions in financial statements. The omission of such provisions exposes us to potential financial liabilities and regulatory penalties, endangering our financial standing and reputation. Investors are urged to carefully evaluate these risks when assessing our financial performance and stability.

**7. We have Manufacturing Facility, continued operations of our manufacturing facility is critical to our business and any disruption in the operation of our manufacturing facility may have a material adverse effect on our business, results of operations and financial condition.**

As on the date of this Draft Red Herring Prospectus, we have manufacturing facility located at Property No.-346-347, Block- Ecotech Extension, Sector- Ecotech-1, Greater Noida which is admeasuring in area of **(21520)** sq. ft. Our manufacturing facilities are subject to operating risks, such as unavailability of spare parts of the machinery, breakdown, obsolescence or failure of machinery, performance below expected levels of efficiency, strikes, any local social unrest, natural disaster or breakdown, slowdown, shutdown etc. of services and utilities in these areas could have material adverse effect on the business, financial position and results of our operations. In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiralling cost of living around our unit may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness.

**8. We have made an application with the Registrar of Trade Marks for registration of the word and same has been under the status Objection. Any delay in receiving the approval and/or granting registration or in obtaining registration could result in loss of trademark & brand equity and the Company's right to use the said trademark.**

Our Company has applied for "word" trademark registration in relation to the Company. The application made by our Company for registration of trademark on September 16, 2022, under Class 17 of the Trademark Act, has been marked as "Objected" vide its search report dated 10/04/2024 and our company has also made an application registration of trademark on September 16, 2022, under Class 6 of the Trademark Act, has been marked as "Objected" vide its search report dated 10/04/2024.

With respect to our trademark that has been applied for, in the event we are not able to obtain registration due to remark being objected against us to submit further additional documents, in respect of our trademark for which we have applied for registration, the Company is in process to submit further additional documents and we cannot guarantee that our unregistered intellectual propertyright, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our business, or that our rights will not be opposed or otherwise challenged.

Further, failure or delay in obtaining the registration of the trademark may make the Company liable to infringement claims of thirdparties who own and/or use the same or similar trade names/ logo.

For further details, please refer to Chapter titled "**Government and Other Statutory Approvals**" beginning on page 224 of this Draft Red Herring Prospectus.

**9. 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 require certain statutory and regulatory permits, licenses and approvals to operate our business. We believe that we have obtained all the requisite permits and licenses which are adequate to run our business. However, there is no assurance that there are no other statutory/regulatory requirements (as per new rule of Law) which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certainlicenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied with by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can beno assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

For further details, please refer to Chapters titled "**Key Industry Regulations**" and "**Government and Other Statutory Approvals**" beginning on pages 144 and 224 of this Draft Red Herring Prospectus.

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

In the past our company has delays in submitting statutory forms to the Registrar of Companies (RoC). Instances of such delays necessitated subsequent filings, accompanied by the payment of additional fees as mandated by the RoC.

Further our Company delayed in filing ROC E forms such as MR-1, MGT-14 for appointment of key managerial personnel's for Financial Year 2023. The delay in such filings, additional fees was imposed on us at the time.

Our company has also made some clerical mistakes in documents and forms previously filed with the Registrar of Companies, for instance multiple DIR-12 has been filed for it appointment and change in designation of Mr. Rakesh Gupta, DIR-12 filed for appointment instead of change in designation of Mr. Manoj Kumar Gupta.

For further details, please refer to Chapters titled "Our Management" beginning on pages 151 of this Draft Red Herring Prospectus.

**11. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business is working capital intensive including fund requirement for payment for purchases of various products across different brands and product verticals. Hence, major portion of our working capital is utilised towards debtors and inventory.

Our debtors for the period ended 31st December 2023, FY ended 2023 and FY ended 2022 and FY ended 2021 was approximately 94.09% and 176.77% and 153.75% and 156.28% of the total net worth respectively in each year. Our inventories for the period ended 31st December 2023, FY ended 2023, FY ended 2022 and FY ended 2021 was approximately 18.99%, 10.71 %, 3.76% and 22.33 % of the total net worth respectively in each year.

S. No.	Particulars	Actual	Actual	Actual	Actual
		FY ended 2021	FY ended 2022	FY ended 2023	Ended December 2023
I	<b>Current Assets</b>				
	Inventories	56.71	43.29	24.89	891.29
	Trade Receivables	466.77	621.78	1,169.73	1,129.56
	Cash and Cash Equivalents	25.94	13.24	18.61	50.00
	Short-term Loans and Advances	180.58	313.33	10.22	370.86
	Other Current Assets	31.10	34.73	49.55	132.65
	<b>TOTAL (A)</b>	<b>761.10</b>	<b>1,026.37</b>	<b>1,273.01</b>	<b>2,574.36</b>
II	<b>Current Liabilities</b>				
	Trade Payables	168.69	275.59	450.65	445.64
	Other Current Liabilities	56.10	121.80	146.05	250.00
	Short-term Provisions	22.62	39.04	96.10	140.00
	<b>TOTAL (B)</b>	<b>247.41</b>	<b>436.42</b>	<b>692.80</b>	<b>835.64</b>
III	<b>Total Working Capital Gap (AB)</b>	<b>513.69</b>	<b>589.95</b>	<b>580.21</b>	<b>1,738.72</b>

The results of operations of our business are dependent on our ability to effectively manage our inventory (stock of traded goods) and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we purchase, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

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

As on date of filing of DRHP, we have availed credit facility of ₹ 25,06,30,095 and we have secured our lenders by creating charge over our movable properties and immovable properties. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders. For further information on the financing and loan agreements along with the total amounts outstanding, please refer to section titled “**Restated Financial Statements**”, “**Statement of Financial Indebtedness**” on page 172, 218 of this Draft Red Herring Prospectus.

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

Our business relies on subcontracting arrangements, wherein we secure contracts from larger companies, who in turn procure projects from government entities. The discontinuation or reduction of such contracts could significantly impact our revenue and operational viability. Failure to secure contracts may lead to decreased business activity, affecting our financial performance and growth prospects. Additionally, fluctuations in the subcontracting landscape, including changes in government policies or procurement practices, could further exacerbate this risk. Investors should be aware of the potential impact of contract dependency on our business operations and financial sustainability.

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

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

Our Company has entered into transactions with our certain related parties. While all such transactions have been conducted on an arm’s length basis and in the ordinary course of business and in accordance with the relevant provisions of Companies Act and all others applicable laws. There can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. 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 operation. All related party transactions that we may enter into post-listing, will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Particulars	Nature of Transaction	For the Financial Year ended December 31, 2023
		Amount (₹ in Lakhs)
Manoj Gupta (Managing Director and Promoter)	Loan Taken	292.49
	Loan Repaid	80.96
Sindhu Gupta (Director and Promoter)	Loan Taken	82.62
	Loan Repaid	28.18
Rakesh Gupta (Non-Executive Director)	Loan Taken	25.00
	Loan Repaid	-

For details on the transactions entered by us, please refer to Chapter titled “**Restated Financial Statement**” beginning on page 172 of this Draft Red Herring Prospectus.

**15. We have availed unsecured loans which are repayable on demand. Any demand for repayment of such unsecured loans, may adversely affect our cash flows.**

As on December 31, 2023, we have unsecured loans amounting to ₹5.99 lakhs as per our Restated Financial Statements from our Directors and banks, which are repayable on demand to the relevant lender. Further, these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, see “**Restated Financial Statements**” on page 172 of this Draft Red Herring Prospectus.

**16. Increase in costs or a shortfall in availability of the materials we purchase could have a material adverse effect on our Company's sales, profitability and results of operations.**

Our Company is dependent on third party suppliers for procuring the materials which we use in executing our projects. We are exposed to fluctuations in the prices of these materials as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. The cost and availability of such materials are subject to a variety of factors and any increase in their cost and their availability at a reasonable price or at all, could adversely affect our margins, sales and results of operations. Though the company recovers the increase in cost from the customers, there can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of materials. If we were to experience a significant or prolonged shortage of such materials from any of our suppliers, and we cannot procure the products from other sources, we would be unable to meet our execution schedules and to deliver such products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations. We cannot assure you that a particular supplier will continue to supply the required materials to us in the future. Any change in the supplying pattern of our products can adversely affect our business and profits. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our execution cycles and delivery schedules, which may result in the loss of our customers and revenues.

**17. Changes in technology may affect our business by making our equipment or products less competitive or obsolete.**

We believe that the acoustic insulation industry is evolving rapidly both in terms of products and also in terms of quality. Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in customers' preferences, regulatory or industry requirements, or competitive technologies may render certain of our products obsolete or less attractive. If we are unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, financial performance and the trading price of our Equity Shares could be adversely affected.

**18. Our insurance policies do not cover all risks, specifically risks like loss of profits, terrorism, etc. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.**

Our Company has obtained insurance coverage in respect of certain risks. While we believe that we do maintain insurance coverage in adequate amounts consistent with the size of our business, our insurance policies do not cover all risks. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details, please refer to chapter titled '*Business Overview*' beginning on page 119 of the Draft Red Herring Prospectus.

**19. All of our product verticals are competitive segments and we face risk of competition affecting our margins and profitability as we scale our operations. There may be a potential impact on our profitability if any big market player enters in this industry.**

The absence of fierce competition in the marketplace currently affords us a significant advantage, allowing for unhindered growth and profitability. However, the potential entry of major market players in the future poses a notable risk to our business. Such entrants could leverage their established brand recognition, extensive resources, and economies of scale to compete aggressively, potentially eroding our market share and impacting our profitability. Furthermore, heightened competition may necessitate increased investments in marketing, innovation, and customer retention efforts, placing strain on our financial resources. Consequently, this threat underscores the importance of continually assessing market dynamics, enhancing our value proposition, and fortifying our competitive advantages to mitigate potential disruptions to our expansion plans and sustained profitability.

**20. We propose to utilize a portion of the Net Proceeds for funding working capital requirements of our Company**

Our Company intends to utilise a portion of the Net Proceeds for funding the working capital requirements of our Company. The detail use of the Net Proceeds towards working capital requirements of our Company have been disclosed in the chapter titled '*Objects of the Issue*' beginning on page 84 of this Draft Red Herring Prospectus. We believe that the working capital will be primarily used for expanding our current business operations. The funding of the working capital requirements of our Company is expected to lead to a consequent increase in our profitability.

**21. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior shareholders' approval.**

In accordance with Section 27 of the Companies Act, 2013 as well as per SEBI ICDR, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, our Promoter would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Offer as prescribed in the SEBI ICDR Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition and may adversely affect our business and results of operations. For further details of the proposed objects of the Offer, refer chapter titled "*Objects of the Issue*" beginning on page 84 of this Draft Red Herring Prospectus.

**22. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.**

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analysis of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**23. Substantial portion of our revenues has been dependent upon our few customers. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.**

We are a manufacturing company engaged in the sale of acoustic insulation heavy machines used in sound control and reduction. We sell our products to various industry segments mainly, construction, real estate and infrastructure, at various locations in India. For the period ended December 31, 2023, financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, our top ten (10) customers accounted for approximately 58.25%, 26.83%, 43.26% and 70.91% of our total revenue from operations. The loss of a significant customer would have a material adverse effect on our financial results. A significant number of our customers are big companies in their industry having multiple suppliers for their products and we cannot assure you that we can maintain our current levels of business from these customers or that we will be able to replace these customers in case we lose any of them. Also, any attempt to lower our dependence on our top customers, might expose us to credit risks and also affect our logistical set-up that we have with the existing customers. Furthermore, major events affecting our customers, such as bankruptcy, change of management and business framework, mergers and acquisitions, etc. could adversely impact our business. If any of our major customers becomes bankrupt or insolvent, we may lose some or all of our business from that customer and our receivable from that customer would increase and may have to be written off, adversely impacting our income and financial condition.

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

We believe that the industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its business operations. Shortage of skilled / Semi Skilled / Un-skilled Personnel's or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past; there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

**25. At present our manufacturing facility is not fully automated. Further any disruption in production at, or shutdown of, our manufacturing facility could adversely affect our business, results of operations and financial condition.**

We own and operate from manufacturing facility situated at Noida, Uttar Pradesh. Our products are fabricated and assembled at this facility. At present, our manufacturing facility is not fully automated and requires manual intervention and processes. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

**26. Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.**

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**27. Delays or defaults in client payments could affect our operations**

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

In deciding whether to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of customers. We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the credit worthiness, we do not obtain any independent support from credit information companies or credit bureaus and/or independent valuers in relation to the value of the net worth of such parties. Our reliance on any misleading information given may affect our judgment of credit worthiness of potential customers, which may affect our business, prospects, results of operations and financial condition.

**28. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.**

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or get manufactured by third parties on our account, we may be required to write-down our inventory or pay our suppliers without new purchases or create additional vendor financing, which could have an adverse impact on our income and cash flows.

**29. Any adverse changes in regulations governing our business operations or products or the products of our end-customers, may adversely impact our business, prospects, results of operations and cash flows.**

Government regulations and policies of India can affect the demand for and availability of our products. We may incur and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies, could adversely affect our business, cash flows and results of operations. An adverse change in the regulations governing the development of our products and use of products by our customers may have an adverse impact on our operations.

We cannot assure you that we will be able to comply with such regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for business. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and

permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products.

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

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

**31. We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. In addition, certain of our financing agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations, cash flows and financial condition.**

The industry in which we operate is working capital intensive in nature. We have historically financed our working capital requirements mainly through arrangements with banks. The table below provides details of our total financial indebtedness in the relevant periods:

Period	Amounts (₹ in Lakhs)
31 <sup>st</sup> December, 2023	828.50
31 <sup>st</sup> March, 2023	572.76
31 <sup>st</sup> March, 2022	312.23
31 <sup>st</sup> March, 2021	345.24

For further information on our borrowings, see “*Statement of Financial Indebtedness*” on page 218.

We propose to fund such expenditure through a combination of debt, equity and internal accruals. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment.

The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, change in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. We may also have difficulty accessing capital markets, which may make it more difficult or expensive to obtain financing in the future. We may not be successful in obtaining additional funds in a timely manner, or on favourable terms or at all. If we do not have access to additional capital, we may be required to delay, postpone or abandon or reduce capital expenditures and the size of our operations, any of which may adversely affect our business, financial conditions, cash flows and results of operations.

Our ability to service our indebtedness will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, our contractual obligations, or to fund our other liquidity needs, we may be forced to sell our 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 and our financial condition at such time. 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.

As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows, and financial condition.

**32. 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. 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, please refer to the Chapter titled **“Dividend Policy”** beginning on page 171 of this Draft Red Herring Prospectus. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.

We intend to utilize the Net Proceeds of the Offer as set forth in **“Objects of the Issue”** beginning on page 84 of this Draft Red Herring Prospectus. The funding requirements mentioned as a part of the objects of the Offer are based on internal management estimates in view of past expenditures and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies and since we have not presently entered into any definitive agreements for the use of Net Proceeds. Various risks and uncertainties, including those set forth in this chapter, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, we may also use funds for future businesses and products which may have risks significantly different from what we currently face or may expect. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment. For further details, please see **“Objects of the Issue”** beginning on page 84 of this Draft Red Herring Prospectus

**33. Our success depends largely upon the services of our Directors, Promoter and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.**

Our success is substantially dependent on the expertise and services of our Directors, Promoter and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

**34. We have not commissioned an industry report for the disclosures made in the chapter titled ‘Industry Overview’ and made disclosures on the basis of publicly available data and such data has not been independently verified by us.**

We have not commissioned an industry report for the disclosures made in the chapter titled **‘Industry Overview’** beginning of page 101 and made disclosures on the basis of publicly available data and such data has not been independently verified by us. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the industry data mentioned in this Draft Red Herring Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context.

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

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

**36. Our Promoter, Directors and Key Management Personnel may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.**

Our Promoter may be interested in our Company to the extent of the Equity Shares held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For details of shareholding of our Promoter in our Company, see **“Capital Structure –Details of shareholding of our Promoter and members of the Promoter Group in our Company”** on page 63 of this Draft Red Herring Prospectus. For details on such unsecured loan and/or deposits, see **“Restated Financial Statements”** on page 172 of this Draft Red Herring Prospectus. Our Promoter and Executive Directors are also interested to the extent of any related party transactions with our Company. For details on related party transactions, see **“Restated Financial Statements”**. Further, our Directors may be interested in our Company to the extent of their shareholding in our Company. For details of shareholding of our directors in our Company, see **“Our Management - shareholding of Directors in our Company”** on page 151.

- 37. We have not identified any alternate source of raising the funds mentioned as our ‘Objects of the Issue’. Any shortfall or delay in raising / meeting the same could adversely affect our growth plans, operations and financial performance.**

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds for working capital cycle or may result in us borrowing funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company.

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

Our Company is engaged in business of providing learning, training and consultancy services being part of the service sector industry which attracts tax liability such as Goods and Service Tax as per the applicable provisions of Law. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

- 39. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our management and our board of Directors, though it shall be monitored by our Audit Committee.**

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

For details, please refer Chapter titled **“Objects of the Issue”** beginning on page 84 of the Draft Red Herring Prospectus.

- 40. Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.**

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

- 41. Our customers do not commit to long-term or continuing contracts and may cancel or modify their orders or postpone or default in their payments. Any cancellation, modification, payment postponement or payment default in regard to our order book could materially harm our cash flow position, revenues and earnings.**

Our business operates without the security of long-term or recurring contracts with customers, leaving us exposed to the potential for order cancellations, modifications, or payment delays. Any adverse actions in relation to our order book, such as cancellations, modifications, postponements, or defaults in payments, could significantly impact our cash flow position, revenues, and earnings. These uncertainties in customer commitments represent a substantial risk to our financial stability and operational performance. Implementing proactive measures, such as robust credit management policies and diversified revenue streams, is crucial to mitigate these risks and ensure sustained profitability amidst evolving market dynamics

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

Our manufacturing operations for acoustic sound enclosures insulation machines are susceptible to the risk of underutilization, both presently and in the future. Inefficiencies in utilizing our existing capacities or failure to effectively leverage our expanded manufacturing capabilities could adversely impact our business operations, future growth prospects, and financial performance. Such underutilization may result from various factors, including fluctuations in demand, production bottlenecks, or supply chain disruptions. Addressing this risk requires diligent capacity planning, efficient production processes, and proactive measures to adapt to changing market conditions. Failure to mitigate this risk could hinder our ability to meet market demand, leading to decreased revenues and profitability.

**43. If the services we provide as a part of our contracts with our customers are found to be deficient, we may lose our customers and may be subject to product liability claims or claims alleging deficiency in service, which may also cause damage to our reputation and/or adversely affect our business, results of operations,**

Our business is exposed to the risk of providing deficient services as part of our contractual obligations to customers. Any shortcomings in the services rendered could lead to customer dissatisfaction, potential loss of clientele, and exposure to product liability claims. Such claims, whether alleging deficient service or product-related issues, have the potential to inflict financial losses and harm our reputation. The repercussions of these events could extend to our business operations, impacting our results of operations and overall business performance. Implementing rigorous quality control measures, comprehensive service protocols, and effective risk management strategies are imperative to mitigate these risks and uphold our reputation for excellence in service delivery.

**44. Any inability to perform some contract or other obligations for which we have given bank guarantees, could adversely affect our business, financial condition, cash flows and credit rating.**

Our Company has entered into agreements with certain banks for bank guarantees. As of December 31, 2023, we had total outstanding bank guarantees of Rs.58.00 lakhs. Our reliance on bank guarantees presents a potential risk to our financial stability and liquidity. In the event of default or non-compliance with contractual obligations, the issuing bank may be called upon to honor these guarantees, resulting in significant financial liabilities. Moreover, changes in banking regulations, credit rating downgrades, or economic downturns could impact our ability to secure or maintain these guarantees, potentially affecting our relationships with customers, suppliers, and other stakeholders. Furthermore, fluctuations in interest rates or currency exchange rates may affect the cost of maintaining bank guarantees, adding to our financial burden. Prudent risk management practices, including regular monitoring of banking relationships and assessing alternative financing options, are essential to mitigate the adverse effects of bank guarantee-related risks on our business operations and financial health.

**45. Labour unrests may result in activities slowdowns and increased employee costs, which may adversely impact our business and results of operations**

Our business is susceptible to the potential disruptions posed by labor unrests and slowdowns, which could adversely affect our operations and financial performance. Strikes, work stoppages, or disputes with labor unions may disrupt production schedules, leading to delays in product delivery and fulfillment of customer orders. Additionally, increased employee costs resulting from wage hikes, benefits, or regulatory mandates could exert pressure on our profitability margins. These challenges may escalate operational expenses and constrain our ability to compete effectively in the market. Implementing effective labor management strategies, fostering open communication channels with employees

and labor representatives, and closely monitoring labor-related developments are essential to mitigate the adverse impacts of labor unrests and increased employee costs on our business and results of operations.

**46. Inability to update the designs and engineering and to formulate cost effective strategy may have an adverse effect on our profitability and have an adverse effect on our business operations**

Our business provides customized machines or enclosures tailored to meet specific customer demands. However, the inability to swiftly update designs and engineering processes poses a significant risk. Failure to adapt and innovate may result in outdated offerings and an inability to meet evolving customer needs effectively. Additionally, the lack of a cost-effective strategy could lead to reduced competitiveness and lower profit margins. To mitigate this risk, continuous investment in research and development, flexible engineering capabilities, and proactive cost management strategies are crucial to ensuring our ability to deliver high-quality, tailored solutions while maintaining profitability in a dynamic market environment.

**47. A shortage or non-availability of essential utilities such as power and fuel could affect our manufacturing operations and have an adverse effect on our business, results of operations ,.**

Our manufacturing operations heavily rely on essential utilities like power and fuel. Any shortage or non-availability of these resources poses a significant risk to our business operations and financial performance. Interruptions in power supply or fuel shortages could disrupt production schedules, leading to delays in product delivery and fulfillment of customer orders. Moreover, reliance on alternative or expensive energy sources during shortages may escalate operational costs, impacting profit margins. To mitigate this risk, we must implement contingency plans, such as investing in backup power systems, diversifying energy sources, and fostering strategic partnerships with utility providers to ensure uninterrupted access to essential utilities and maintain operational resilience in the face of unforeseen disruptions.

**48. We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees which may have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.**

Despite our efforts, there remains a risk of undetected fraud or misconduct perpetrated by our employees, which could significantly impact our business, reputation, and financial health. Instances of fraud, theft, or unethical behavior may lead to financial losses, damage to our reputation, and erosion of trust among customers and stakeholders. The inability to effectively detect, deter, and prevent such occurrences could result in material adverse effects on our results of operations, financial condition, and cash flows. Implementing robust internal controls, conducting regular audits, and fostering a culture of integrity and accountability are essential to mitigate this risk and safeguard the interests of our company and stakeholders.

## **EXTERNAL RISK FACTORS**

**49. Our business is dependent on economic growth in India.**

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

**50. An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our operations.**

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus and its variants, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a significant portion of our workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition.

**51. Financial instability in Indian financial markets could materially and adversely affect our results of operations and financial condition.**

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 adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including 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.

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

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

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

**54. Political, economic, legal, tax, operation and other factors that are beyond our control may have an adverse effect on our business and results of operations.**

The following external risks may have an adverse impact on our business and results of operations should any of them materialise:

- a) high rates of inflation in India and in countries where we operate our business could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;
- b) changes in existing laws and regulations in India and in countries where we operate our business;
- c) changes in trade policies, in terms of tariff and non-tariff barriers; and
- d) a slowdown in economic growth or financial instability in India and in countries where we operate our business could adversely affect our business and results of operations.

**55. If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.**

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. In particular, the prices of raw materials required for fabrication of our products are subject to increase due to a variety of factors beyond our control, including global commodities prices and economic conditions. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be materially and adversely affected.

**56. Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.**

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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 is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**57. Any changes in the regulatory framework could adversely affect our operations and growth prospects.**

Our Company is subject to various regulations and policies. For details refer to the Chapter titled "*Key Industry Regulations*" beginning on page 144 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**58. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

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

Our business is susceptible to a range of external events, including natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, and civil unrest. These events have the potential to disrupt our operations, supply chain, and market demand, leading to material adverse effects on our business. Such disruptions may result in property damage, production delays, increased costs, or loss of revenue. Moreover, prolonged disruptions could strain our financial resources and erode stakeholder confidence. To mitigate this risk, we must implement robust business continuity plans, invest in disaster preparedness measures, and maintain adequate insurance coverage to mitigate potential losses arising from these external events.

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

Fluctuations or disruptions in foreign economies may lead to increased volatility in Indian financial markets, affecting our operations and financial performance. Currency exchange rate fluctuations, political unrest, or economic downturns in foreign countries could impact our revenue streams, profitability, and cash flows. To mitigate this risk, we must closely monitor global economic conditions, implement hedging strategies, and diversify our revenue sources to reduce reliance on any single market. Additionally, maintaining strong financial reserves and flexibility in response to changing market dynamics is essential to safeguarding our business against foreign financial instability.

**RISK RELATED TO OUR EQUITY SHARES**

**61. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.**

The Issue Price of the Equity Shares has been determined by our Company in consultation with the BRLM, and through the Book Built Issue Process. This price is based on numerous factors, as described under “*Basis for Issue Price*” beginning on page 92 of this Draft Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

**62. Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.**

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be similar to the shareholders’ rights under the laws of other countries or jurisdictions.

**63. The trading volume and market price of the Equity Shares may be volatile following the Issue.**

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

**64. Our Equity Shares have not been publicly traded prior to this Issue. After this Issue, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop.**

**Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.**

Prior to this Issue, there has been no public market for our Equity Shares. An active trading market on the Stock Exchanges may not develop or be sustained after this Issue.

The trading price of our Equity Shares after this Issue may be subject to significant fluctuations in response to factors including general economic, political and social factors, developments in India's fiscal regime, variations in our operating results, volatility in Indian and global securities markets, developments in our business as well as our industry and market perception regarding investments in our business, changes in the estimates of our performance or recommendations by financial analysts, and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. The trading price of our Equity Shares may also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business or operating results.

**65. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.**

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

**66. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.**

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 requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. Further, in accordance with press note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, the FDI Policy has been recently amended to state that all investments by entities incorporated in 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 of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**67. Investors may have difficulty enforcing foreign judgments against us or our management.**

We are a limited liability Company incorporated under the laws of India. All our directors and executive officers are residents of India and a majority of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of CPC on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the

judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

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

Capital gains arising from the sale of equity shares within 12 months in an Indian Company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of equity shares is exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares

**69. Any future issuance of Equity Shares by us may dilute your shareholding and sales of the equity shares by our Promoter, Promoter Group or other major shareholders may adversely affect the trading price of the Equity Shares.**

Any future issuance of Equity Shares by us may dilute your shareholding in us. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of the Issue, including by our Promoter or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair future ability of us to raise capital through offerings of the Equity Shares. After the completion of the Issue, our Promoter will continue to hold 96.34% of the outstanding Equity Shares. We cannot predict the effect, if any, that the sale of the Equity Shares held by our Promoter or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of the Equity Shares.

**70. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.**

A public Company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offer document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

**71. There is no guarantee that our Equity Shares will be listed on NSE Emerge in a timely manner or at all.**

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue.

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE Ltd within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all.

Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

**72. The requirements of being a listed Company may strain our resources.**

We are not a listed Company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs by shareholders, regulators and the public at large associated with being a listed Company. As a listed Company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted Company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations or cash flows as promptly as other listed companies.

Further, as a listed Company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

**73. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.**

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover 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. 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 its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

**74. Rights of shareholders of companies under Indian law may be more limited than under 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 shareholder in an Indian Company than as shareholders of an entity in another jurisdiction.

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

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

- 76. There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.**

Our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

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## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Issued</b> <sup>*(1)(2):</sup> Public Issue of Equity Shares by our Company	Upto 54,00,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share (including a Share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs
<b>Out of which</b>	
<b>Issue Reserved for the Market Makers</b>	[●] Equity Shares aggregating to ₹ [●] Lakhs
<b>Issue Reserved for the Employee</b>	[●] Equity Shares aggregating to ₹ [●] Lakhs
<b>Net Issue to the Public</b>	[●] Equity Shares aggregating to ₹ [●] Lakhs
<b>Out of which</b>	
<b>A. QIB Portion</b> <sup>(3)(4)</sup>	Not more than [●] Equity Shares aggregating to ₹ [●] Lakhs
Of which:	
(a) Anchor Investor Portion <sup>(5)</sup>	[●] Equity Shares aggregating to ₹ [●] Lakhs
(b) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares aggregating to ₹ [●] Lakhs
Of which:	
(i) Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion))	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
(ii) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>B. Non-Institutional Category</b>	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>C. Retail Portion</b>	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	1,33,90,000 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of face value of ₹10 each
<b>Objects of the Issue/ Use of Issue Proceeds</b>	Please see the chapter titled “Objects of the Issue” on page 84 of this Draft RedHerring 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

Note:

- (1) Fresh Issue of Upto 54,00,000 Equity Shares in terms of Draft Red Herring Prospectus has been authorized pursuant to a resolution passed by our Board of Directors dated March 23<sup>rd</sup>, 2024 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members held on March 29<sup>th</sup>, 2024.
- (2) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “Issue Related Terms” beginning on page 3 of this Draft Red Herring Prospectus.

- (3) *The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.*
- (4) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.*
- (5) *In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.*

*Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the 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 within the offer price band. 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 253 of this Draft Red Herring Prospectus.*

**SUMMARY OF FINANCIAL INFORMATION  
ANNEXURE - I**

**RESTATED STATEMENT OF ASSETS AND  
LIABILITIES**

(Amt in Lacs.)

Particulars		As at			
		31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
Share Capital	A	50.00	50.00	50.00	50.00
Reserves and Surplus	A	1,452.15	611.73	354.40	248.67
<b>Share Application Money Pending Allotment</b>		-	-	-	-
<b>Non Current Liabilities</b>					
Long-term Borrowings	B	286.25	655.45	263.14	242.42
Deferred tax liabilities (Net)	C	6.18	5.08	5.94	6.73
Other Long Term Liabilities		-	-	-	-
Long-term Provisions	D	-	-	-	-
<b>Current Liabilities</b>					
Short-term Borrowings	B	547.75	260.67	276.61	301.21
Trade Payables	E	297.05	450.65	275.59	168.69
Other Current Liabilities	F	279.76	146.05	121.80	56.10
Short-term Provisions	F	275.88	96.10	39.04	22.63
<b>Total</b>		<b>3,195.02</b>	<b>2,275.73</b>	<b>1,386.51</b>	<b>1,096.44</b>
<b>II. Assets</b>					
<b>Non Current Assets</b>					
Fixed assets					
(i) Tangible Assets	G	992.56	999.00	356.71	332.37
(ii) Intangible Assets	G	-	-	-	-
(iii) Capital Work-In-Progress		-	-	-	-
(iv) Intangible Assets Under Development		-	-	-	-
Non Current Investments	H	-	-	-	-
Deferred Tax Assets (Net)	C	-	-	-	-
Long-term Loans and Advances	I	-	-	-	-
Other Non Current Assets		6.75	3.72	3.44	2.97
<b>Current assets</b>					
Current Investments	V	-	-	-	-
Inventories	J	333.98	24.89	43.29	56.71
Trade Receivables	K	1,413.44	1,169.73	621.78	466.77
Cash and Cash Equivalents	L	16.77	18.61	13.24	25.94
Short-term Loans and Advances	M	395.21	10.22	313.33	180.58
Other Current Assets	N	36.31	49.55	34.73	31.10
<b>Total</b>		<b>3,195.02</b>	<b>2,275.73</b>	<b>1,386.51</b>	<b>1,096.45</b>

Note:- The above statement should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexures IV, II and III.

As per our report of even date\

For M/s. HCO & Co

For and on behalf of the Board of Directors of

Chartered Accountants

**ENVIROTECH SYSTEMS LIMITED Firm Reg. No. - 001087C**

CA Neeraj Bansal

MANOJ KUMAR GUPTA

(Managing Director)

SINDHU GUPTA

(Director)

Partner

(Director) Membership No. 400248

Place: Delhi

Date:17/01/2024

UDIN: 24400248BKDNRL5694

Ashok Kumar Gupta

(C.F.O)

Pallvi Sharma

Company Secretary & Compliance Officer

**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amt in Lacs.)

Particulars	Notes	For the Year/Period ended			
		31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations (Gross)	P	2,976.52	2,715.49	1,751.81	941.56
Installation charges		94.04	116.29	58.84	39.67
<b>Net Revenue From Operation</b>		<b>3,070.56</b>	<b>2,831.78</b>	<b>1,810.65</b>	<b>981.23</b>
Other income	O	27.12	43.00	38.90	29.24
<b>Total Revenue</b>	i	<b>3,097.67</b>	<b>2,874.78</b>	<b>1,849.54</b>	<b>1,010.47</b>
Expenses:					
Cost of Raw Material		1,657.03	1,611.76	1,128.03	430.08
Changes in inventories of finished goods, work in progress and stock-in- trade		(221.36)	11.23	8.09	18.44
Employee benefits expense		297.20	317.60	221.51	193.91
Finance costs		49.20	41.09	40.49	39.93
Depreciation and amortization expense		24.51	12.06	12.01	13.23
Other expenses		173.70	528.48	295.43	222.45
<b>Total Expenses</b>	ii	<b>1,980.27</b>	<b>2,522.21</b>	<b>1,705.57</b>	<b>918.04</b>
<b>Profit before exceptional and extraordinary items and tax (i-ii)</b>	iii	<b>1,117.40</b>	<b>352.57</b>	<b>143.98</b>	<b>92.44</b>
Exceptional/Prior Period item		-	-	-	-
Profit before extraordinary items and tax		<b>1,117.40</b>	<b>352.57</b>	<b>143.98</b>	<b>92.44</b>
Extraordinary item		-	-	-	-
<b>Profit Before Tax</b>		<b>1,117.40</b>	<b>352.57</b>	<b>143.98</b>	<b>92.44</b>
Provision for Tax					
- Current Tax		275.88	96.10	39.04	22.63
(2) Wealth Tax		-	-	-	-
- Deferred Tax Liability / (Asset)		1.10	0.87	0.78	(0.11)
- MAT Credit Entitlement		-	-	-	-
- MAT Credit Utilised		-	-	-	-
-Short/(Excess) Tax adjustment of prior years		-	-	-	-
<b>Restated profit after tax for the period from continuing operations</b>		<b>840.42</b>	<b>257.34</b>	<b>105.73</b>	<b>69.70</b>
Profit/ (Loss) from Discontinuing operation		-	-	-	-
Tax expenses of discontinuing operations		-	-	-	-
<b>Restated profit for the period</b>		<b>840.42</b>	<b>257.34</b>	<b>105.73</b>	<b>69.70</b>

Note:- The above statement should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexures IV, II and III.

As per our report of even date\

For M/s. HCO & Co

For and on behalf of the Board of Directors of

Chartered Accountants

**ENVIROTECH SYSTEMS LIMITED Firm Reg. No. - 001087C**

CA Neeraj Bansal

MANOJ KUMAR GUPTA  
(Managing Director)

SINDHU GUPTA  
(Director)

Partner

(Director) Membership No. 400248

Place: Delhi

Date:17/01/2024

UDIN: 24400248BKDNRL5694

Ashok Kumar Gupta  
(C.F.O)

Pallvi Sharma  
CS & Compliance Officer

## ANNEXURE – III

## RESTATED CASH FLOW STATEMENT

(Amt in Lacs.)

Particulars	For the Year/Period ended			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax	1,117.40	352.57	143.98	92.44
Adjustment for Non-cash expenses:				
Depreciation	24.51	12.06	12.01	13.23
<b>Operating profit before working capital changes</b>	<b>1,141.91</b>	<b>364.63</b>	<b>155.99</b>	<b>105.67</b>
Adjustment for :				
(Increase)/Decrease in Inventories	(309.10)	18.41	13.42	(20.41)
(Increase)/Decrease in Trade Receivables	(243.71)	(547.95)	(155.01)	57.61
(Increase)/Decrease in Other Current Assets	13.24	(14.82)	(3.63)	33.12
Increase/(Decrease) in trade payables	(153.59)	175.06	106.89	(267.64)
Increase/(Decrease) in other current liabilities	133.71	34.60	62.15	22.40
	<b>582.46</b>	<b>29.92</b>	<b>179.81</b>	<b>(69.25)</b>
<b>Cash generated from / (used in) operations</b>	<b>582.46</b>	<b>29.92</b>	<b>179.81</b>	<b>(69.25)</b>
Income Tax paid	(275.88)	(39.04)	(23.56)	14.71
Interest income	(0.69)	(0.68)	(1.44)	(0.98)
Net cash generated from/(used in) operating activities - (A)	<b>305.89</b>	<b>(9.79)</b>	<b>154.81</b>	<b>(55.52)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of tangible fixed assets	(18.07)	(654.36)	(36.35)	(54.02)
Interest Income	0.69	0.68	1.44	0.98
Investment in Non Current Assets	(3.03)	(0.28)	0.47	0.54
<b>Net cash (used in) Investing Activities - (B)</b>	<b>(20.41)</b>	<b>(653.96)</b>	<b>(34.45)</b>	<b>(52.50)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings	(381.42)	392.31	20.72	0.95
Proceeds from Short Term Borrowings	299.30	(26.28)	(21.05)	288.04
Proceeds from Short Term Loans & Advances	(384.99)	303.11	(132.74)	(177.24)
<b>Net cash(used in) / from financing activities - (C)</b>	<b>(467.11)</b>	<b>669.13</b>	<b>(133.07)</b>	<b>111.75</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(181.63)</b>	<b>5.38</b>	<b>(12.71)</b>	<b>3.73</b>
Cash and cash equivalents at the beginning of the year	18.61	13.24	25.94	22.21
Cash and cash equivalents at the end of the year	(163.01)	18.61	13.24	25.94
Cash and cash equivalents at the end of year comprises :				
<b>Components of cash and cash equivalents:</b>				
Cash on hand	0.92	1.26	0.36	1.08
Balances with scheduled banks:				
In current accounts	0.21	0.64	0.41	7.55
in Deposits with Scheduled Bank	15.64	16.71	12.46	17.32
<b>Total Cash and cash equivalents</b>	<b>16.77</b>	<b>18.61</b>	<b>13.24</b>	<b>25.94</b>

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).
2. Figures in Brackets represents outflow.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures I, II and III.

As per our report of even date\  
For M/s. HCO & Co  
For and on behalf of the Board of Directors of  
Chartered Accountants

**ENVIROTECH SYSTEMS LIMITED**

**Firm Reg. No. - 001087C**

CA Neeraj Bansal

Partner

(Director) Membership No. 400248

Place: Delhi

Date: 17/01/2024

UDIN: 24400248BKDNRL5694

MANOJ KUMAR GUPTA  
(Managing Director)

SINDHU GUPTA  
(Director)

Ashok Kumar Gupta  
(C.F.O)

Pallvi Sharma  
CS & Compliance Officer

## **SECTION – V - GENERAL INFORMATION**

Our Company was originally incorporated as “*Envirotech Gensets Private Limited*” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 09, 2007, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on June 01, 2009, the name of our Company was changed to “*Envirotech Systems Private Limited*” and a fresh certificate of incorporation dated June 10, 2009 was issued to our Company by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on May 04, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to “*Envirotech Systems Limited*” and a fresh certificate of incorporation dated June 03<sup>rd</sup>, 2022 was issued to our Company by the Registrar of Companies, NCT of Delhi and Haryana. The Corporate Identification Number of our Company is U31101DL2007PLC159075. For details of change in registered office of our Company, please refer to chapter titled “*History and Corporate Structure*” beginning on page no. 139 of this Draft Red Herring Prospectus.

### **REGISTERED OFFICE OF OUR COMPANY**

#### **Envirotech Systems Limited**

A-29, Block-A, Shyam Vihar Phase-I, New Delhi, India, 110043

Tel. No.: 0120-4337633/ 4337439

E-mail: [support@esplonline.com](mailto:support@esplonline.com)

Website: [www.envirotechltd.com](http://www.envirotechltd.com)

Corporate Identification Number: U31101DL2007PLC159075

Reg. No.: 159075

*For details relating to changes to the address of our Registered Office, please see “History and Corporate Structure - Changes to the address of the Registered Office of our Company” on page 139 of this Draft Red Herring Prospectus.*

### **CORPORATE ADDRESS OF COMPANY WHERE BOOKS OF ACCOUNTS ARE BEING MAINTAINED**

#### **Envirotech Systems Limited**

Address – B1A, 19, 1<sup>st</sup> Floor, Sec-51, Noida, Uttar Pradesh, India – 201301

E-mail: [support@esplonline.com](mailto:support@esplonline.com)

Website: [www.envirotechltd.com](http://www.envirotechltd.com)

Corporate Identification Number: U31101DL2007PLC159075

Reg. No.: 159075

### **ADDRESS OF REGISTRAR OF COMPANIES**

#### **Registrar of Companies, Delhi & Haryana**

4th Floor, IFCI Tower, 61, Nehru Place,

New Delhi – 110019

Tel No. 011-26235703, 26235708

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

Website: <http://www.mca.gov.in>

### **DESIGNATED STOCK EXCHANGE**

#### **National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C/1, G Block,

Bandra– Kurla Complex, Bandra (E)

Mumbai -400051, Maharashtra, India

Website – [www.nseindia.com](http://www.nseindia.com)

## BOARD OF DIRECTORS OF OUR COMPANY

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Manoj Kumar Gupta	Managing Director	C-7, Kendriya Vihar, Sector-51, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201301	01187138
Mr. Sindhu Gupta	Director	C-7, Kendriya Vihar, Sector-51, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201301	01190580
Mr. Rakesh Gupta	Non- Executive Director	A-66, Sector-31, Noida, Gautam Buddha Nagar, Uttar Pradesh, 201301.	01145603
Mr. Gaurav Bajpai	Independent Director	E-204, Windsor Park, Vaibhav Khand, Shipra Sun City, Ghaziabad, Uttar Pradesh – 201014	02291802
Mr. Rohit Kumar	Independent Director	Plot no. 3/798, Sector-3, Vasundhra, Ghaziabad, Uttar Pradesh, 201012	10515418
Mr. Sachin Kumar	Independent Director	4691/1-B/9-c, 2 <sup>nd</sup> Floor, Main Road, Near East Azad Nagar Metro Station, Bholanath Nagar, Shahdara, North East Delhi, Delhi, 110032	09233592

For further details of the Directors of our Company, please refer to the chapter titled “**Our Management**” on page 151 of this Draft Red Herring Prospectus.

## Company Secretary and Compliance Officer

### Ms. Pallvi Sharma

901 Swami Vivekananda Block, Saraswati Vihar Sector 28, Chakarapur , Gurgaon, Haryana - 122002

Tel. No.: +91-9084975857

E-mail: [cs@envirotechltd.com](mailto:cs@envirotechltd.com)

Website: [www.envirotechltd.com](http://www.envirotechltd.com)

## Chief Financial Officer

### Mr. Ashok Kumar Shekhawat

D 801, Tower D, Nx One Avenue, Plot No 17, Techzone 4, Greater Noida West, Bishrakh, UTTAR PRADESH - 201306

Tel. No.: +91-+91-9999104831

E-mail: [ashok@envirotechltd.com](mailto:ashok@envirotechltd.com)

Website: [www.envirotechltd.com](http://www.envirotechltd.com)

**Investor Grievances:** Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Book Running Lead Manager, in case of any pre-Issue or post-Issue related problems such as non-receipt of Intimation for Allotment, credit of allotted Equity Shares in the respective beneficiary account.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of Equity Shares applied for, the Application Amount paid on

submission of the Application Form and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process including UPI may be addressed to the Registrar to the Issue, with a copy to the Designated Intermediary with whom the ASBA Form was submitted, giving full name of the sole or First Applicant, ASBA Form number, Applicant's DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of Application Form, address of Applicant, the name and address of the relevant Designated Intermediary, where the Application Form was submitted by the Applicant, ASBA Account number (for Applicants other than RIIs bidding through the UPI mechanism) in which the amount equivalent to the Application Amount was blocked or UPI ID in case of RIIs bidding through the UPI mechanism. Further, the Applicant shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries, and for Redressal of complaints, applicant may also write to the Book Running Lead Manager and Company. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

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

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

**SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED**  
A-15, Basement, Sector-64, Noida – 201301, Uttar Pradesh, India;  
**Tel:** +91 0120-4910000;  
**Email:** [kunal.bansal@shareindia.co.in](mailto:kunal.bansal@shareindia.co.in)  
**Investor Grievance ID:** [info@shareindia.com](mailto:info@shareindia.com)  
**Website:** [www.shareindia.com](http://www.shareindia.com)  
**SEBI Registration:** INM000012537  
**CIN:** U65923UP2016PTC075987  
**Contact Person: Mr. Kunal Bansal**

**REGISTRAR TO THE ISSUE**

**BIGSHARE SERVICES PRIVATE LIMITED**  
302, Kusal Bazar, Nehru Place, New Delhi, Delhi 110019  
**Tel. No.:** 011-42425004  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact Person:** Mr. Babu Rapheal C.  
**SEBI Registration No.:** INR000001385

**BANKERS TO THE COMPANY**

**YES BANK LIMITED**  
Ground, Mezzanine & First Floor, Plot No. 22,  
Community Centre, New Friends Colony, New Delhi- 110025  
**Tel No.** +91 11 40411000  
**Email ID:** [yestouch@yesbank.in](mailto:yestouch@yesbank.in)  
**Contact Person:** Mr. Mukesh Singh  
SEBI Regn No. INBI00000935  
**HDFC BANK LIMITED**  
E-6, Local Shopping Centre, Masjid Moth,  
Greater Kailash-2, New Delhi- 110048  
**Tel No.:** +91- 9426792001  
**Email Id:** [Ravi.sharma45@hdfcbank.com](mailto:Ravi.sharma45@hdfcbank.com)

Contact Person: Mr. Ravi Sharma  
SEBI Regn No. INBI00000063

#### STATUTORY AUDITORS OF THE COMPANY

**M/s Vishal Kaushal & Co.**

Chartered Accountants  
Z-320, Shop No. 32, Amrapali Commercial Complex, Sector – 12, Noida, Uttar Pradesh - 201301  
Mobile No.: +91-9999101271  
Email: [www.cavkc.com](http://www.cavkc.com)  
**Contact Person:** CA Vishal Sharma  
**Firm Registration No.:** 010123C

#### PEER REVIEW AUDITORS OF THE COMPANY

**M/s HCO & Co.**

Chartered Accountants  
5/32C, B.R. Complex, Patparganj Road, Mayur Vihar, Phase-I, Delhi - 110091  
**Mobile No.** +91-9810833228  
**Email:** [neerajbansal\\_ca@yahoo.com](mailto:neerajbansal_ca@yahoo.com), [neeraj@hcoca.com](mailto:neeraj@hcoca.com)  
**Contact Person:** CA Neeraj Bansal  
**Firm Registration No.:** 001087C  
**Peer Review Registration No.** 013413

#### BANKER TO THE ISSUE AND REFUND BANKER/SPONSOR BANK

[•]

#### LEGAL ADVISOR TO THE ISSUE

**M/s. VAKALAT INDIA, ADVOCATES**

305-A, D. Mall, 3rd floor, Netaji Subhash Place, New Delhi 110034  
Registration No. F/1564/1093/2011 (WB)  
DHCBA Membership no.: 25521/2022  
**Mobile No:** +91-9038090848  
**Website:** [www.vakalatindia.com](http://www.vakalatindia.com)  
**Email Id:** [vakalatindia@gmail.com](mailto:vakalatindia@gmail.com)  
**Contact Person:** Mr. Kausik Chatterjee (Advocate)  
**Bar Council Registration No.** F/1564/1093/2011 (WB)

#### MARKET MAKER TO THE ISSUE

<b>Name</b>	<b>SHARE INDIA SECURITIES LIMITED</b>
<b>Correspondence Address:</b>	1701, 17 <sup>th</sup> Floor, Dalal Street, Commercial Co-operative Society Limited Road 5E, Block 53, Zone 5, Gift City, Gandhinagar, Gujarat-382355
<b>Tel No.:</b>	91-0120-4910000
<b>E-mail:</b>	<a href="mailto:info@shareindia.com">info@shareindia.com</a>
<b>Website:</b>	<a href="http://www.shareindia.com">www.shareindia.com</a>
<b>Contact Person:</b>	Mr. Vikas Agarwal
<b>SEBI Registration No.:</b>	INZ000178336

## **UNDERWRITER TO THE ISSUE**

**SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED**  
A-15, Basement, Sector-64, Noida – 201301, Uttar Pradesh, India;  
**Tel:** +91 0120-4910000;  
**Email:** kunal.bansal@shareindia.co.in  
**Investor Grievance ID:** info@shareindia.com  
**Website:** www.shareindia.com  
**SEBI Registration:** INM000012537  
**CIN:** U65923UP2016PTC075987  
**Contact Person:** Mr. Kunal Bansal

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

Since Share India Capital Services Private Limited is the sole Book Running Lead Manager to this Issue, a statement of inter-se allocation of responsibilities among Book Running Lead Manager is not required.

## **SELF CERTIFIED SYNDICATE BANKS (“SCSBS”) AND SYNDICATE SCSB BRANCHES**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> For more information on the Designated Branches collecting ASBA Forms, see the above- mentioned SEBI link.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the 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

## **INVESTORS BANKS OR ISSUER BANKS FOR UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above-mentioned SEBI link.

## **REGISTERED BROKERS**

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 NSE at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

## **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time and on SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time and SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18>; <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4>

## **BROKERS TO THE ISSUE**

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

## **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**

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

## **TRUSTEES**

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

## **MONITORING AGENCY**

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lakhs.

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.

## **APPRAISING ENTITY**

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

## **FILING OF DRAFT RED HERRING PROSPECTUS /PROSPECTUS WITH THE DESIGNATED STOCK EXCHANGE/SEBI/ROC**

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

The Draft Red Herring Prospectus/ Red Herring/ Prospectus are being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

A copy of the Red Herring Prospectus/ Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be filed for registration to the Registrar of Companies, 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, PIN-160019, Chandigarh, India

## **EXPERTS OPINION**

Except for the reports in the section “Summary of Financial Information” and “Statement of Tax Benefits” on page 45 and page 98 of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name, as required under Companies Act read with SEBI (ICDR) Regulations as “Expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **BOOK BUILDING PROCESS**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of the English national newspaper i.e. [●], all editions of Hindi national newspaper i.e. [●] and in Regional newspaper where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date.

Principal parties involved in the Book Building Process are:-

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

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

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

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

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “Issue Procedure” beginning on page 253 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “**Issue Procedure**” on page 253 of this Draft Red Herring Prospectus.

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

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

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

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “Issue Procedure” on page 253 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/Issue Program:

Event	Indicative Dates
Bid/ Issue Opening Date	[●] <sup>(1)</sup>
Bid/ Issue Closing Date	[●] <sup>(2)</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[●]
Credit of Equity Shares to Demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

Notes:

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

*<sup>2)</sup> Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

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.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants 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 Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Applicants, 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 Applicant, 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 Applicant, the Registrar to the Issue shall ask the relevant SCsBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

## **WITHDRAWAL OF THE ISSUE**

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

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

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

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

## UNDERWRITING

The Company and the Book Running Lead Manager to the issue hereby confirm that the issue is 100% Underwritten by Share India Capital Services Private Limited in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated April 17, 2024 entered into by Company and Underwriter – Share India Capital Services Private Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of Total Issue Size Underwritten
<b>SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED</b> A-15, Basement, Sector-64, Noida – 201301, Uttar Pradesh, India; Tel: +91 0120-4910000; Email: kunal.bansal@shareindia.co.in <b>Investor Grievance ID:</b> info@shareindia.com <b>Website:</b> www.shareindia.com <b>SEBI Registration:</b> INM000012537 <b>CIN:</b> U65923UP2016PTC075987 <b>Contact Person:</b> Mr. Kunal Bansal	[●]	[●]	[●]

\*Includes [●] Equity shares of Rs.10.00 each for cash 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.

As per Regulation 260(2) of SEBI (ICDR) Regulations, the Book Running Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

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

## CHANGES IN AUDITORS DURING LAST THREE YEARS

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 THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated April 17, 2024 with the following Market Maker, to fulfil the obligations of Market Making for this Issue:

<b>Name</b>	SHARE INDIA SECURITIES LIMITED
<b>Correspondence Address:</b>	1701, 17 <sup>TH</sup> Floor, Dalal Street, Commercial Co operative Society Limited Road 5E, Block 53, Zone 5, Gift City, Gandhinagar- 382355
<b>Tel No.:</b>	0120-4910000
<b>E-mail:</b>	<a href="mailto:info@shareindia.com">info@shareindia.com</a>
<b>Website:</b>	<a href="http://www.shareindia.com">www.shareindia.com</a>
<b>Contact Person:</b>	Mr. Vikas Aggarwal
<b>SEBI Registration No.:</b>	INB231079832

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of NSE (NSE EMERGE) 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 ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the SME Platform of NSE from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
6. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE from time to time.

7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
9. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
10. 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.
11. The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. 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.
13. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

14. **Risk containment measures and monitoring for Market Makers:** NSE SME Exchange will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
15. 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.
16. **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:
  - i. 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.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

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

The following spread will be applicable on the NSE SME Exchange/ Platform.

S. 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	6
4.	Above 100	5

17. **Punitive Action in case of default by Market Makers:** NSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

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

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

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.

## SECTION VI - CAPITAL STRUCTURE

The Equity Share Capital of our Company, before the issue and after giving effect to the issue, as on the date of filing of the Draft Red Herring Prospectus, is set forth below:

(₹ In Lakh except Per Share amount)

Sr. No.	Particulars	Aggregate Nominal value	Aggregate value at issue price
1.	<b>AUTHORIZED SHARE CAPITAL</b> 2,00,00,000 Equity Shares of face value of ₹ 10/- each	[●]	-
2.	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE</b> 1,33,90,000 Equity Shares of face value of ₹ 10/- each	[●]	-
3.	<b>PRESENT ISSUE IN TERMS OF THE RED HERRING PROSPECTUS*</b>		
	Issue of 54,00,000 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share.		[●]
	<b>Which comprises</b>		
	<b>Reservation for Market Maker:</b> [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share reserved as Market Maker Portion	[●]	[●]
	<b>Net Issue to Public:</b> [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share to the Public	[●]	[●]
	<b>Net Issue to Public consists of</b>		
	<b>Allocation to Qualified Institutional Buyers:</b> Not more than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Qualified Institutional Buyers	[●]	[●]
	<b>Allocation to Non-Institutional Investors:</b> At least [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Non-Institutional Investors	[●]	[●]
	<b>Allocation to Retail Individual Investors:</b> At least [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Retail Investors	[●]	[●]
4.	<b>PAID UP EQUITY CAPITAL AFTER THE ISSUE</b> [●] Equity Shares of ₹ 10/- each	[●]	-
5.	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		[●]
	After the Issue		[●]

\* The Present Issue of 5400000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated March 23<sup>rd</sup>, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of the members held on March 29th, 2024.

For details in relation to the changes in the authorized share capital of our Company in the last 10 years, see 'History and Certain Corporate Structure – Amendments to the Memorandum of Association in the last 10 years' on page 139.

### CLASS OF SHARES

As on date of issue of this Draft Red Herring Prospectus, our company has only one class of shares i.e., Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari- passu in all respect. All Equity Shares issued are fully paid-up as on date of the Draft Red Herring Prospectus.

Our Company does not have any partly paid-up equity shares as on the date of this Draft Red Herring Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

**NOTES TO THE CAPITAL STRUCTURE:****1. Changes in the Authorized Share Capital of our Company:**

Since Incorporation of our Company, the authorized equity share capital of our Company has been changed in the manner set forth below:

Sr. No.	Particulars of Increase	Cumulative no. of Equity Shares	Cumulative Authorized Share Capital (₹ in Lakh)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation the Authorised share capital of the company is ₹10,00,000/- (Rupees Ten Lacs) divided into 1,00,000 (One Lacs) Equity Shares of ₹10/- each	1,00,000	1.00	N.A.	On Incorporation
2.	Increase in authorized equity share capital from ₹10,00,000/- (Rupees Ten Lacs) divided into 1,00,000 (One Lacs) Equity Shares of ₹10/- each to ₹20,00,000/- (Rupees Twenty Lacs) divided into 2,00,000 (Two Lacs) Equity Shares of ₹10/- each	2,00,000	2.00	March 19, 2012	EGM
3.	Increase in authorized equity share capital from ₹20,00,000/- (Rupees Twenty Lacs) divided into 2,00,000 (Two Lacs) Equity Shares of ₹10/- each to ₹50,00,000/- (Rupees Fifty Lacs) divided into 5,00,000 (Five Lacs) Equity Shares of ₹10/- each	5,00,000	5.00	March 30, 2012	EGM
4.	Increase in authorized equity share capital from ₹50,00,000/- (Rupees Fifty Lacs) divided into 5,00,000 (Five Lacs) Equity Shares of ₹10/- each to ₹5,00,00,000/- (Rupees Five crore) divided into 50,00,000 (Fifty Lacs) Equity Shares of ₹10/- each	50,00,000	50.00	September 13 , 2021	EGM
5	Increase in authorized equity capital from ₹5,00,00,000/- (Rupees Five crore) divided into 50,00,000 (Fifty Lacs) Equity Shares of ₹10/- each to ₹20,00,00,000/- (Rupees Twenty crore) divided into 2,00,00,000 (Two crore) Equity Shares of ₹10/- each	2,00,00,000	200.00	January 15, 2024	EGM

## 2. History of Paid-up Share Capital:

Our existing Paid-up Equity Share Capital has been subscribed and allotted in the manner set forth below:

Date of allotment	Nature of allotment	No. of Equity Shares allotted	Face value (In ₹)	Issue price (In ₹)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Paid-up share Capital (₹)	Cumulative Share Premium (In ₹ Lakhs)
October 31, 2011	Equity Shares Allotted (2)	89,900	10	10	Cash	99,900	1,99,900	NIL
March 31, 2012	Equity Shares Allotted (3)	4,00,100	10	10	Cash	5,00,000	50,00,000	NIL
January 20, 2024	Bonus Shares (4)	1,25,00,000	10	Nil	Other than Cash	1,30,00,000	13,00,00,000	NIL
March 23, 2024	Private Placement(5)	3,90,000	10	40	Cash	1,33,90,000	13,33,90,000	30

Notes:

(1) Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted
1.	Mr. Manoj Kumar Gupta	5,000
2.	Mrs. Sindhu Gupta	5,000
<b>Total</b>		<b>10,000</b>

(2) Further Allotment of 89,900 Equity Shares of Face Value of Rs. 10/- each fully paid. The details of which are given below:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted
1.	Mr. Manoj Kumar Gupta	40,000
2.	Mrs. Sindhu Gupta	49,900
<b>Total</b>		<b>89,900</b>

(3) Further Allotment of 4,00,100 Equity Shares of Face Value of Rs. 10/- each fully paid. The details of which are given below:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted
1.	Mr. Manoj Kumar Gupta	3,10,000
2.	Mrs. Sindhu Gupta	90,100
<b>Total</b>		<b>4,00,100</b>

(4) The details of allotment of 1,25,00,000 Bonus Equity Shares in ratio of 25:1 i.e., 25 (Twenty Five) fully paid-up Equity Shares for every 1 (One) Equity Share held on January 20, 2023, out of free reserves, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted
1.	Mr. Manoj Kumar Gupta	88,65,500
2.	Mrs. Sindhu Gupta	36,25,000
3.	Mr. Ashok Kumar Shekhawat	750
4.	Mr. Jitendra Singh	750
5.	Mr. Satyendra kumar Singh	750
6.	Mr. Vivek Kumar Sainger	750
7.	Mr. Ankur Kumar Tiwari	750
8.	Mr. Jagannath Mishra	750
9.	Mr. Pramod Shukla	750
10.	Mr. Jiji T John	750
11.	Mr. Sushil Kumar Tripathi	500
12.	Mr. Rishikesh Ojha	500
13.	Mr. Vipin Kumar Tripathi	500
14.	Mr. Satydev Diwakar	500
15.	Mr. Vikas Khanna	500
16.	Mr. Manvendra Singh	500
17.	Mr. Prvesh Sharma	500
<b>Total</b>		<b>1,25,00,000</b>

(5) The details of allotment of 3,90,000 Equity Shares of Face Value of Rs. 10/- each fully paid. The details of which are given below:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted
1.	Mr. Vivek kumar Bhauka	1,00,000
2.	Mr. Lalit Dua	1,25,000
3.	Mr. Savishesh Raj	1,65,000
<b>Total</b>		<b>3,90,000</b>

(6) As on the date of the Draft Red Herring Prospectus, our Company does not have any preference share capital.

### 3. Issue of Equity Shares for consideration other than cash

Except as disclosed below, we have not issued any Equity shares for consideration other than Cash.

- i. The details of allotment of 1,25,00,000 Equity Shares made on January 20, 2024 in ratio of 25:1 i.e., 25 (Twenty Five) fully paid-up Equity Shares for every 1 (One) Equity Share are as follows:

Date of allotment	Name of Allottees	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reason of Allotment	Benefits accrued to Company
January 20, 2024	Manoj Kumar Gupta	88,65,500	10	NIL	Other Than Cash Bonus Issue	Capitalization of Free Reserves
	Sindhu Gupta	36,25,000	10			
	Ashok Kumar Shekhawat	750	10			
	Jitendra Singh	750	10			
	Satyendra kumar Singh	750	10			
	Vivek Kumar Sainger	750	10			
	Ankur Kumar Tiwari	750	10			
	Jagannath Mishra	750	10			
	Pramod Shukla	750	10			
	Jiji T John	750	10			
	Sushil Kumar Tripathi	500	10			
	Rishikesh Ojha	500	10			
	Vipin Kumar Tripathi	500	10			
	Satyadev Diwarkar	500	10			
	Vikas Khanna	500	10			
	Manvendra Singh	500	10			
Prvesh Sharma	500	10				

4. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 230 to 234 of the Companies Act, 2013.
5. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. Our Company has not made allotment at price lower than the Issue Price during past one year from the date of the Draft Red Herring Prospectus except mentioned below:

The details of allotment of 1,25,00,000 Bonus of Equity Shares made on January 20, 2024 in ratio of 25:1 i.e.,25 (Twenty Five Only) fully paid-up Equity Shares for every 1 (One Only) Equity Shares held on January 20, 2024, are as follows:

Date of allotment	Name of Allottees	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reason of Allotment	Benefits accrued to Company
January 20, 2024	Manoj Kumar Gupta	88,65,500	10	NIL	Other Than Cash Bonus Issue	Capitalization of Free Reserves
	Sindhu Gupta	36,25,000	10			
	Ashok Kumar Shekhawat	750	10			
	Jitendra Singh	750	10			
	Satyendra kumar Singh	750	10			
	Vivek Kumar Sainger	750	10			
	Ankur Kumar Tiwari	750	10			
	Jagannath Mishra	750	10			
	Pramod Shukla	750	10			
	Jiji T John	750	10			
	Sushil Kumar Tripathi	500	10			
	Rishikesh Ojha	500	10			
	Vipin Kumar Tripathi	500	10			
	Satyadev Diwakar	500	10			
	Vikas Khanna	500	10			
	Manvendra Singh	500	10			
	Prvesh Sharma	500	10			
<b>Total</b>	<b>1,25,00,000</b>	<b>10</b>				

The details of allotment of 3,90,000 Equity Shares of Face Value of Rs. 10/- each fully paid. The details of which are given below:

Date of allotment	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
March 23, 2024	Mr. Vivek kumar Bhauka	1,00,000	10	40
	Mr. Lalit Dua	1,25,000	10	40
	Mr. Savishesh Raj	1,65,000	10	40
<b>Total</b>		<b>3,90,000</b>	<b>10</b>	<b>40</b>

7. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

## 8. Our Shareholding Pattern:

The Shareholding Pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

### Declaration

Sr. No.	Particular	Yes/No	Promoters and Promoters Group	Public shareholder	Non-Promoter – Non-Public
1.	Whether the Company has issued any partly paid-up shares?	No	No	No	No
2.	Whether the Company has issued any Convertible Securities?	No	No	No	No
3.	Whether the Company has issued any Warrants?	No	No	No	No
4.	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5.	Whether the Company has any shares in locked-in? *	No	No	No	No
6.	Whether any shares held by promoters are pledge or otherwise encumbered?	No	No	NA	NA
7.	Whether company has equity shares with differential voting rights?	No	No	No	No
8.	Whether the listed entity has any significant beneficial owner?	No	No	No	No

\* All Pre-IPO Equity Shares of our Company will be locked-in prior to listing of shares on Emerge Platform of NSE.

**A. Table I - Summary Statement holding of Equity Shares**

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares Held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form <sup>s</sup>	
								Class	No of Voting Rights	Total		Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
I	II	III	IV	V	VI	VII IV+V+VI	VIII	IX			X	XI=VII+X	XII		XIII	XIV	
(A)	Promoter & Promoter Group	2	1,29,17,650	-	-	1,29,17,650	96.47	1,29,17,650	1,29,17,650	96.47	-	96.47	-	-	-	1,29,17,650	
(B)	Public	20	4,72,350	-	-	4,72,350	3.53	4,72,350	4,72,350	3.53	-	3.53	-	-	-	4,72,350	
II	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>	<b>22</b>	<b>1,33,90,000</b>	<b>-</b>	<b>-</b>	<b>1,33,90,000</b>	<b>100.00</b>	<b>1,33,90,000</b>	<b>1,33,90,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,33,90,000</b>	

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

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

Our Company has received ISIN activation with CDSL and NSDL, all shares are in dematerialized form.

**B. Table III - Statement showing shareholding pattern of the public shareholder.**

Sr. No.(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 shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+R+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class eg: y	No of Voting (XIV) Rights	Total			As a % of total shares held (b)	No.(a)	As a % of total shares held (b)			
(1)	<b>Institutions</b>																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/ State Government(s) / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-institutions																	
(a(i))	Individuals - i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	17	10,920	-	-	10,920	10,920	10,920	-	-	-	-	-	-	-	-	-	10,920
(a(ii))	Individuals - ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	3	4,61,430	-	-	4,61,430	4,61,430	4,61,430	-	-	-	-	-	-	-	-	-	4,61,430
(b)	NBFCs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	registered with RBI																	
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	20	4,72,350	-	-	4,72,350	4,72,350	4,72,350	-	-	-	-	-	-	-	-	-	4,72,350
<b>Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): - N.A</b>																		
<b>Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A.</b>																		

9. The shareholding pattern of our Promoter and Promoters' Group and public before and after the Issue:

Sr. No	Name of shareholders	Pre issue No. of equity shares	As a % of Pre Issued Capital*	Post issue No. of equity shares	As a % of Post Issued Capital*
Promoter					
1.	Mr. Manoj Kumar Gupta	91,47,650	68.32%	[●]	[●]
2.	Ms. Sindhu Gupta	37,70,000	28.16%	[●]	[●]
<b>TOTAL (A)</b>		1,29,17,650	96.47%		
Public					
3.	Existing Shareholders	4,72,350	3.53%	[●]	[●]
4.	IPO	-	-	[●]	[●]
<b>Grand Total</b>		<b>1,33,90,000</b>	<b>100.00%</b>	[●]	[●]

#### 10. Details of Major Shareholders:

##### (A) List of Shareholders holding 1% or more of the Paid-up Capital of the Company as on date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of paid up Capital#
1.	Mr. Manoj Kumar Gupta	91,47,650	68.32%
2.	Ms. Sindhu Gupta	37,70,000	28.16%
3.	Mr. Savishesh Raj	2,36,430	1.77%
<b>Total</b>		<b>1,31,54,080</b>	<b>98.25%</b>

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.

# the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

##### (B) List of Shareholders holding 1% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of paid-up Capital#
1.	Mr. Manoj Kumar Gupta	91,47,650	68.32%
2.	Ms. Sindhu Gupta	37,70,000	28.16%
3.	Mr. Savishesh Raj	2,36,430	1.77%
<b>Total</b>		<b>1,31,54,080</b>	<b>98.25%</b>

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.

# the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

##### (C) List of Shareholders holding 1% or more of the Paid-up Capital of the Company as on One year prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of paid up Capital#
1.	Mr. Manoj Kumar Gupta	3,54,620	70.92%
2.	Ms. Sindhu Gupta	1,45,000	29.00%
<b>Total</b>		<b>4,99,620</b>	<b>99.92</b>

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.

# the % has been calculated based on then existing Paid up Capital of the Company.

##### (D) List of Shareholders holding 1% or more of the Paid-up Capital of the Company as on Two years prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of paid up Capital#
1.	Mr. Manoj Kumar Gupta	3,54,620	70.92%
2.	Ms. Sindhu Gupta	1,45,000	29.00%
<b>Total</b>		<b>4,99,620</b>	<b>99.92</b>

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.

# The % has been calculated based on then existing Paid up Capital of the Company.

11. Except as stated below, none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company.

Sr. No.	Name	Designation	No. of Equity Shares held	% of Pre-	% of Post
				Issue Equity Share Capital	Issue Equity Share Capital
1.	Mr. Manoj Kumar Gupta	Managing Director	91,47,650	68.32	[●]
2.	Mr. Sindhu Gupta	Director	37,70,000	28.16	[●]
3.	Mr. Ashok Kumar Shekhawat	CFO	780	0.01	[●]

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or refund of application monies in pursuance of the Red Herring Prospectus.

As on the date of filing the Draft Red Herring Prospectus document, our Company does not have any such plan for altering the capital structure by way of split or consolidation of the denomination of the shares, or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement. Further, our Company may alter its capital structure by way of split / consolidation of the denomination of Equity Shares or issue of equity shares on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement, within a period of six months from the date of opening of the present issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or for any other purpose, as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

### 13. History of build-up of Promoters shareholding of our Company:

As on the date of the Draft Red Herring Prospectus, our Promoters Mr. Manoj Kumar Gupta, Mrs. Sindhu Gupta holds total 1,29,17,650 Equity Shares respectively representing almost 97.02% of the pre-issue paid up equity share capital of our Company. The build-up of equity shareholding of Promoters of our Company are as follows:

Mr. Manoj Kumar Gupta									
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Sources	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital
On Incorporation	Subscription to Memorandum of Association	5,000	5,000	10	Owned	10	50,000	50%	[●]
October 31, 2011	Allotment of Shares	40,000	45,000	10	Cash	10	4,50,000	45.05%	[●]
March 31, 2012	Allotment of Shares	3,10,000	3,55,000	10	Cash	10	31,00,000	71.00%	[●]
January 17, 2022	Transfer of Shares	380	3,54,620	10	Gift	10	Nil	70.92%	[●]
January 20, 2024	Allotment under Bonus Issue	88,65,500	92,20,120	10	Bonus	-	Nil	70.92%	[●]
April 1, 2024	Transfer of Shares	71,950	9148170	10	Gift	-	Nil	68.32%	[●]
April 4, 2024	Transfer of Shares	520	520	10	Gift	-	Nil	68.32%	[●]
<b>Total</b>		<b>91,47,650</b>					<b>36,00,000</b>	<b>68.32%</b>	<b>[●]</b>

<b>Ms. Sindhu Gupta</b>									
<b>Date of Allotment / Transfer</b>	<b>Nature of Issue Allotment / Transfer</b>	<b>Number of Equity shares</b>	<b>Cumulative No. of Equity Shares</b>	<b>Face Value (in ₹) per share</b>	<b>Sources</b>	<b>Issue/ Transfer Price (in ₹) per share</b>	<b>Total Consideration Paid (in ₹)</b>	<b>% of Pre Issue Capital</b>	<b>% of post issue Capital</b>
On Incorporation	Subscription to Memorandum of Association	5000	5000	10	NA	N. A	50,000	50%	[●]
October 31, 2011	Allotment of Shares	49900	5,49,00	10	NA	N. A	4,99,000	54.95%	[●]
March 31, 2012	Allotment of Shares	90100	1,45,000	10	NA	N. A	9,01,000	29%	[●]
January 20, 2024	Allotment under Bonus Issue	36,25,000	37,70,000	10	NA	N.A.	-	28.16%	[●]
<b>Total</b>		<b>37,70,000</b>					<b>0.00</b>	<b>28.16%</b>	<b>[●]</b>

14. The average cost of acquisition of or subscription to Equity Shares by our Promoters are set forth in the table below:

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹) *#
1.	Mr. Manoj Kumar Gupta	91,47,650	0.388
2.	Mrs. Sindhu Gupta	37,70,000	0.385

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

#Based on Certificate dated April 23rd, 2024 from Statutory Auditors of the company M/s. Vishal Kaushal & Co vide UDIN: 24079919BKESXU157.

15. We have Twenty Two shareholders as on the date of filing of the Draft Red Herring Prospectus.
16. As on the date of the Draft Red Herring Prospectus, our Promoters and Promoters' Group hold total 1,29,17,650 Equity Shares representing 96.47% of the pre-issue paid up share capital of our Company.
17. The members of the Promoters' Group, our directors and the relatives of our directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Draft Red Herring Prospectus.

**18. Details of Promoter's Contribution locked in for three years:**

Date of Allotment / Transfer and made fully Paid Up	No. of Equity Shares locked-in*	Face Value	Issue / Acquisition / Transfer Price	Nature of Transaction	Post – issue Shareholding %	Lock-in Period
<b>Manoj Kumar Gupta</b>						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Sindhu Gupta</b>						
[●]	[●]	[●]	[●]	[●]	[●]	[●]

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons define computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 236 of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

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

Our Promoters, by a written undertaking, consented to have [●] Equity Shares held by them to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed/sold/transferred by the promoter during the period starting from the date of filing this Draft Red Herring Prospectus with SME Platform of NSE till the date of commencement of lock-in period as stated in this Draft Red Herring Prospectus. The Equity Shares under the Promoters contribution will constitute [●]% of our post-Issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 236 of the SEBI ICDR Regulations will not be less than 20% of the post Issue paid up capital of our Company.

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

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237 (1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b><u>Hence Eligible</u></b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237 (1) (b)	Specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237 (1) (c)	Specified securities allotted to the promoters and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

***We Confirm that our Promoter's Contribution of 20% of the Post Issue Equity also mention if any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.***

#### **Details of Share Capital Locked in For One Year**

In terms of Regulation 236 and 237 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoters and entire pre issue capital held by Promoter Group i.e. [●] Equity Shares shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

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

- a) In terms of Regulation 242 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
  - b) In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
  - c) Further in terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
19. 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. Neither, we nor our Promoters, Directors and the Book Running Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
  21. As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.
  22. As on the date of the Draft Red Herring Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
  23. Our Company has not raised any bridge loan against the proceeds of the Issue.
  24. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid- up shares
  25. As on the date of the Draft Red Herring Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
  26. The Book Running Lead Manager i.e. Share India Capital Services Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of the Draft Red Herring Prospectus.
  27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.
  28. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue

of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments

29. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
30. An over-subscription to the extent of 2% 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 2% of the Net Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
31. 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 BRLM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
32. 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 253 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 SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
33. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
34. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
35. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
36. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
37. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
38. As on the date of the Draft Red Herring Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
39. There are no Equity Shares against which depository receipts have been issued.
40. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Draft Red Herring Prospectus.
41. We have 22 (Twenty Two) Shareholders as on the date of filing of the Draft Red Herring Prospectus.
42. There are no safety net arrangements for this Public Issue.
43. Our Promoter and Promoter Group will not participate in this Issue.
44. This Issue is being made through Book Building method.
45. Except as disclosed in the Draft Red Herring Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Draft Red Herring Prospectus.
46. No person connected with the Issue shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant

47. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.
48. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Shares Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
49. As per RBI regulations, OCBs are not allowed to participate in this issue.

## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of up to 54,00,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Share.

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the Emerge Platform of NSE:

1. Purchase Land and Building for setting up factory
2. Funding of working capital requirements of the Company
3. General Corporate Expenses
4. Issue Expenses

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India besides unlocking the value of our Company. Having a listing on a stock exchange also affords our company increased credibility with the public, having the company indirectly endorsed through having their stock traded on the exchange. It also Improves supplier, investor and customer confidence and improves our standing in the market place. It will also provide liquidity to the existing shareholders.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum.

### NET ISSUE PROCEEDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the "Net Issue Proceeds"). The following table summarizes the requirement of funds:

Particulars	Estimated Amount ₹ in lakh
Gross Proceeds from the Issue	[●]
(Less) Issue Related Expenses	[●]
<b>Net Proceeds</b>	[●]

### REQUIREMENT OF FUNDS

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

The following table summarizes the requirement of the fund:

Sr. No.	Particulars	Amount (₹ In Lakhs)
1.	Purchase Land and Building for setting up factory	Upto 1200.00
2.	Funding of Working Capital requirements	[●]
3.	General Corporate Expenses	[●]
4.	Issue Expenses	[●]
	<b>Total</b>	[●]

The fund requirements mentioned above are based on internal management estimates of the Company and have not been verified by the Lead Manager or appraised by any bank, financial institution, or any other external agency. They are based on current circumstances of business and the Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, cost of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of the Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the issue proceeds as stated above, the Company may re-allocate the issue proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the issue proceeds or cost overruns, the management may explore a range of options including utilizing our internal accruals or seeking debt financing.

### **PROPOSED SCHEDULE OF IMPLEMENTATION AND UTILIZATION OF NET PROCEEDS**

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

(₹ in Lakhs)

<b>Particulars</b>	<b>Amount to be funded from Net Proceeds</b>	<b>Estimated schedule of deployment of Net Proceeds in FY2025</b>
Purchase Land and Building for Setting up factory	Upto ₹1200.00	[●]
Funding of Working Capital requirements	[●]	[●]
General Corporate Expenses	[●]	[●]
<b>Total</b>	[●]	[●]

As per Management estimation, the total amount proposed to be utilized from the IPO Proceeds for the above-mentioned purpose is to be deployed by March 31, 2025, subject to getting approvals from regulatory authorities in a timely manner.

Since such expenditure does not involve the implementation of any specific project, a schedule of deployment of funds in relation to such an object has not been provided. If the Net Proceeds towards any of the Objects are not completely utilized towards such objects by March 31, 2025, such amounts will be utilized (in part or full) in subsequent periods as determined by us, in accordance with applicable law.

Any expenditure after filing of Draft Red Herring Prospectus till the listing for the above-mentioned objects, will be reimbursed to the Company on actually basis from the IPO Proceeds.

### **MEANS OF FINANCE**

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the following means.

1. Issue of Equity Shares through this Draft Red Herring Prospectus.
2. Internal Accruals of the Company.

Accordingly, as required under the SEBI (ICDR) Regulations, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Net Proceeds or through existing identifiable internal accruals.

**The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 230(1)(e) and 9 (C) of Part A of Schedule VI of SEBI (ICDR) Regulations, through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed public Issue or through existing identifiable internal accruals.**

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

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

**We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail scheduling, revising, or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of therelevant provisions of the Companies Act, 2013.**

## **DETAILS OF THE OBJECTS OF THE ISSUE**

### **1. PURCHASE OF LAND AND BUILDING FOR SETTING UP FACTORY**

Our company is primarily engaged in manufacturing of acoustic sound enclosures, with an aim for expansion in the manufacturing sector, specializing in acoustic sound insulation machines. With a vision for growth, we aim to enhance our production capacity by acquiring additional land through a public issue offering. This strategic move not only strengthens our market position but also underscores our commitment to meeting rising demand while maintaining superior product quality.

Our company has already entered in an agreement with M/S Oriental Trimex Ltd. For acquisition of land and Building the details of which are given below.

M/S Envirotech Systems limited entered into an agreement with M/S Oriental Trimex Ltd. to purchase the land and Building situated at No-3, Block, Site – V, UPSIDC Industrial Area , Kasna, Greater Noida, Gautam Buddha Nagar, UP measuring 8160 Square Meter (120x68) along with superstructure thereupon hereinafter called as property.

As per the terms of Contract, the Total Sale Consideration which M/S Envirotech Systems limited has to pay M/S Oriental Trimex Ltd. For acquisition of land and building is ₹2011.00 Lakhs (Rs. Twenty Crores Eleven Lac Only). In addition to the said amount, stamp duty, registration charges and other miscellaneous fees is applicable at the rate of 7% on the consideration value or circle rate as notified by government whichever is higher, which is calculated to be approximately ₹140.77 lakh. The total consideration value comes at about ₹2151.77 Lakhs.

Out of Total sale consideration, M/S Envirotech Systems Limited has already paid a total of ₹836.50 Lakhs till the date of this DRHP to M/S Oriental Trimex Ltd. and the remaining amount payable to M/s Oriental Trimax Ltd has to be paid by July 30<sup>th</sup>, 2024 for purchasing the said land for the proposed manufacturing unit.

It is to be noted that the primary object of the issue is to raise funds for the acquisition of land and building, with up to ₹1200.00 lakh of the issue proceeds allocated solely for this purpose. It is crucial to note that these funds will be used exclusively for the purchase of land and building and not for setting up the manufacturing unit for which the land and building are being acquired. This allocation is aimed at ensuring the efficient utilization of resources and the timely completion of the acquisition, thereby enhancing the overall operational capabilities and growth prospects of the company.

Our Company has paid total consideration of ₹836.50 lakhs out of ₹2,151.77 Lakhs for purchasing the said land and building for the proposed manufacturing unit.

Summary of the land to be purchased:

Particulars	Total Estimated Cost (₹ in Lacs)
Land	2,011.00
Stamp Duty and Registration Charges (7%)*	140.70
Total	2,151.70

Total Cost of land paid by our company	836.50
Balance Amount	1,315.27
Amount to be paid by Fresh Issue	1,200.00
Amount to be paid by internal accruals	115.20

\*Stamp duty would be on purchase price or circle which ever is higher.

It is clarified that the land proposed to be acquired is pledged by Oriental Trimex Limited as collateral to secure a loan of approximately ₹37.25 crore from Edelweiss Asset Reconstruction Company Limited and the proposed acquisition is subject to the Seller obtaining NOC from the Bank. For details please refer to Chapter titled “**Risk Factors**” beginning on pages 22.

## 2. FUNDING OF WORKING CAPITAL REQUIREMENTS OF THE COMPANY

Our business is working capital intensive and we fund the majority of our working capital requirements through internal accruals, net worth, financing from different banks and financial institutions and unsecured loans. We expect a further increase in the working capital requirements in view of current and potential operations that may be awarded. Accordingly, we have proposed to use [●] Lakhs out of the issue proceeds to meet the working capital requirements.

### Basis of Estimation of Working Capital Requirements

Details of the estimation of working capital requirement are as follows:

(₹ in Lakhs)

Sr. No.	Particulars	Actual	Actual	Actual	Actual
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> Dec, 2023
<b>I</b>	<b>Current Assets</b>				
	Inventories	56.71	43.29	24.89	333.98
	Trade receivables	466.77	621.78	1,169.73	1,413.44
	Cash & Bank balances	25.94	13.24	18.61	16.77
	Short-Term Loans and Advances	180.58	313.33	10.22	395.21
	Other Current Assets	31.10	34.73	49.55	36.31
	<b>Total (A)</b>	<b>761.10</b>	<b>1,026.37</b>	<b>1,273.01</b>	<b>2,195.71</b>
<b>II</b>	<b>Current Liabilities</b>				
	Trade payables	168.69	275.59	450.65	297.05
	Other Current Liabilities	56.10	121.80	146.05	279.76
	Short Term Provisions	22.62	39.04	96.10	275.88
	<b>Total (B)</b>	<b>247.41</b>	<b>436.42</b>	<b>692.80</b>	<b>852.69</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>513.69</b>	<b>589.95</b>	<b>580.21</b>	<b>1,343.02</b>

(₹ in Lakhs)

Sr. No.	Particulars	Projected	Projected
		Fiscal 2024	Fiscal 2025
<b>I</b>	<b>Current Assets</b>		
	Inventories	891.29	1,348.63
	Trade Receivables	1,129.56	2,224.13
	Cash & Bank balances	50.00	100.44
	Short Term Loans and Advances	370.86	665.22
	Other Current Assets	132.65	627.65
	<b>Total (A)</b>	<b>2,574.36</b>	<b>4,966.08</b>
<b>II</b>	<b>Current Liabilities</b>		
	Trade payables	445.64	899.09
	Other Current Liabilities	250.00	270.00
	Short Term Provisions	140.00	310.00
	<b>Total (B)</b>	<b>835.64</b>	<b>1,479.09</b>

<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>1,738.72</b>	<b>3,486.99</b>
<b>IV</b>	<b>Funding Pattern</b>		
	Short Term Borrowings	750.00	1,200.00
	Internal Accruals	988.72	1,486.99
	IPO Proceeds		800.00

Key assumptions for working capital projections made by the Company:

<b>Assumptions for Projected Financials Statements</b>	<b>31.03.2021</b>	<b>31.03.2022</b>	<b>31.03.2023</b>	<b>31.12.2023</b>	<b>31.03.2024</b>	<b>31.03.2025</b>
Inventory	21	9	3	40	120	90
Trade Receivables	174	125	151	168	90	90
Trade Payables	143	89	102	65	60	60

Justification for “Holding Period” levels derived from our Restated Financial Statements

<b>S. No.</b>	<b>Particulars</b>
<b>Current Assets</b>	
Inventory	Our inventory based on the restated financial statement was 21, 9 , 3 days for the years ended March 31, 2021, March 31, 2022 and March 31, 2023 and 40 days for nine month period ended on December 31, 2023. Going forward we have estimated higher inventory level and hence, a moderately higher inventory holding period for coming years, as we aim to complete more projects. We also have taken steps to improve our inventory management; like implementing better inventory tracking systems, improving supply chain management, improved logistics and renegotiating contracts with suppliers.
Trade Receivables	Our trade receivables based on restated financial statements was 174, 125, 151 days for the years ended March 31, 2021, March 31, 2022, and March 31, 2023, and 168 days for nine month period ended on December 31, 2023. Going forward we have estimated trade receivables level of 90 days in coming years as by ensuring faster completion of projects, we are expecting realisation of more revenue. We also expect to implement a stringent debtor management policy. This is planned by revising credit terms, refined collection processes and adjusting credit checks.
<b>Current Liabilities</b>	
Trade Payables	Our Trade Payable on restated financial statements were 143, 89, 102 for the years ended March 31, 2021, March 31, 2022 and March 31, 2023 and 65 days for nine month period ended on December 31, 2023. Going forward, we have estimated Trade payable days to reduce in coming years to ensure better negotiable payment terms and faster delivery of goods to ensure efficient completion of projects. This would also ensure improvements in profitability margins.

## **1. GENERAL CORPORATE PURPOSES**

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount being raised by the Company through this issue, in compliance with the Regulation 230(2) of SEBI (ICDR) Regulations. The Company intends to deploy the balance Net Proceeds i.e., ₹ [●], which is [●] of the amount being raised by the Company through this issue, towards general corporate purposes, subject to above mentioned limit, as may be approved by the management of the Company, including but not restricted to, the following:

- Strategic Initiatives
- Brand Building and strengthening of marketing activities; and

- Ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by the Board of Directors of the Company based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of the Company, from time to time. We in accordance with the policies of the Board, will have flexibility in utilizing the balance Net Proceeds for general corporate purposes, as mentioned above.

## 2. ISSUE RELATED EXPENSES

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

Activity	Amount (₹ In Lakhs)	Percentage of the total Issue expenses	Percentage of the total Issue size
Issue Management fees including fees and reimbursement of underwriting fees, Lead Manager fees, brokerages, payment to other intermediaries such as legal advisor, peer review auditor, Registrar etc.	[●]	[●]	[●]
Advertising and Marketing Expenses	[●]	[●]	[●]
Regulatory and other fees	[●]	[●]	[●]
Other Expenses (printing, stationery expenses, postage etc.)	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

\* To be incorporated in the Prospectus after finalization of the Issue Price.

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

1. ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular) - Rs 10/- per application on wherein shares are allotted.
2. Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them)- Rs 10/- per application on wherein shares are allotted.
3. Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank - Rs 10/- per application on wherein shares are allotted.
4. Sponsor Bank shall be payable processing fees on UPI application processed by them - Rs 5.50/- per application on wherein shares are allotted.
5. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
6. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
7. Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.
8. Offer Expenses other than the listing fees shall be shared among our Company and the Selling Shareholder on a pro rata basis, in proportion to the Equity Shares Allotted.

### PROPOSED YEAR-WISE DEPLOYMENT OF FUNDS:

The overall cost of the proposed object and the proposed year wise break up of deployment of funds are as under:

(₹ in Lakhs)

Particulars	Already Incurred	Amount to be deployed from the Net Proceeds in Financial Year 2025	Total
Purchase Land for setting up factory	836.50	[●]	[●]
Working Capital Requirements	[●]	[●]	[●]

General Corporate Purposes	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]

#### **DETAILS OF FUNDS ALREADY DEPLOYED TILL DATE AND SOURCES OF FUNDS DEPLOYED**

Our Statutory Auditors Vishal Kaushal & Co., Chartered Accountants vide their certificate dated April 23<sup>rd</sup>, 2024 vide UDIN 24079919BKESXV382 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amount ₹ in Lacs
Issue Expenses	20.58
<b>Total</b>	<b>20.58</b>

#### **SOURCES OF FINANCING FOR THE FUNDS DEPLOYED:**

Our Statutory Auditors Vishal Kaushal & Co., Chartered Accountants vide their certificate dated April 23<sup>rd</sup>, 2024, 2024 vide UDIN 24079919BKESXV382 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amount ₹ in Lacs
Internal Accruals	20.58
<b>Total</b>	<b>20.58</b>

#### **SHORTFALL OF FUNDS**

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

#### **BRIDGE FINANCING**

We have currently not raised any bridge loans against the proceeds of the Issue. However, depending on our requirement, we might consider raising bridge financing facilities, pending receipt of the proceeds of the Issue.

#### **APPRAISAL BY APPRAISING AGENCY**

None of the Objects have been appraised by any bank or financial institution or any other independent organization. The funding requirements of the Company and the deployment of the proceeds of the Issue are currently based on management estimates. However, the funding requirements of the Company are dependent on a number of factors which may not be in the control of the management of the Company, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to changes in light of changes in external circumstances or in our financial condition, business, or strategy.

#### **INTERIM USE OF FUNDS**

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

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

#### **MONITORING OF UTILIZATION OF FUNDS**

There is no requirement for a monitoring agency as the Issue size is less than ₹ 10,000 lakhs. Pursuant to Regulation 41 of the SEBI (LODR) Regulations, the Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, the Company will disclose the utilization of the Issue Proceeds under separate heads in the Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that the Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a fiscal year, we will utilize such unutilized amount in the next fiscal year.

### **VARIATION IN OBJECTS**

In accordance with Section 27 of the Companies Act 2013, the Company shall not vary object of the Issue without the Company being authorized to do so by Company's shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules thereunder. As per the current provisions of the Companies Act, the Promoter or controlling shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner as prescribed by Securities and Exchange Board of India in this regard.

### **OTHER CONFIRMATIONS**

There is no material existing or anticipated transactions with the Promoter, Directors, Key Managerial Personnel of the Company, and Group Entities, in relation to the utilization of the proceeds of the Issue. No part of the issue proceeds will be paid by us as consideration to the Promoter, Directors or Key Managerial Personnel of the Company or Group Entities, except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Business Overview**” and its financial statements under the section titled “**Summary of Financial Information**” beginning on page 22, 119, page 45 respectively of this Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The price band has been determined by the issuer in consultation with the Book Running Book Running Lead Manager on the basis of the quantitative and qualitative factors as described below. The financial data presented in this section are based on our Company’s Restated Financial Statements. Investors should also refer to the sections/chapters titled “**Risk Factors**” and “**Restated Financial Statement**” on page no. 22 and 172, respectively of this Draft Red Herring Prospectus to get a more informed view before making the investment decision.

### QUALITATIVE FACTORS

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

- a) Experienced Promoters and Management Team
- b) Quality Assurance of our Services
- c) Established relationship with existing client
- d) Scalable Business Model

For details of qualitative factors, please refer to the paragraph “**Our Competitive Strengths**” in the chapter titled “**Business Overview**” beginning on page no. 119 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

Information presented below is derived from our Company’s Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic & Diluted Earnings Per Share (EPS), as Restated:

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$$

Financial Year/Period	Basic and Diluted EPS (in ₹) #	Weights
Financial Year ended March 31, 2021	13.94	1
Financial Year ended March 31, 2022	21.15	2
Financial Year ended March 31, 2023	51.47	3
<b>Weighted Average</b>	<b>35.10</b>	
<b>December 31, 2023</b>	<b>168.08</b>	

Notes:

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share is ₹10.00.

- iii. *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure F of respective Consolidated and Standalone financials.*

**2. Price to Earnings (P/E) ratio in relation to Price Band of ₹ [●] per Share:**

$$\text{Price to Earnings Ratio(\%)} = \frac{\text{Issue Price}}{\text{Restated Earnings Per Share}}$$

Particulars	EPS (in ₹)
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	[●]
P/E ratio based on the Weighted Average EPS	[●]

**3. Return on Net Worth (RoNW):**

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

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2021	23.34%	1
Financial Year ended March 31, 2022	26.14%	2
Financial Year ended March 31, 2023	38.89%	3
<b>Weighted Average</b>	<b>32.04%</b>	
<b>December 31, 2023</b>	<b>55.95%</b>	

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

$$\text{Restated Net Asset Value per equity share (₹)} = \frac{\text{Restated Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$$

Particular	Amount (in ₹)
Financial Year ended March 31, 2021	132.35
Financial Year ended March 31, 2022	80.88
Financial Year ended March 31, 2023	59.73
NAV per Equity Share after the Issue	[●]
Issue Price per Equity Share	[●]
December 31, 2023	300.43

Notes:

- *Issue Price per equity share has been determined by our Company, in consultation with the Book Running Book Running Lead Managers.*

**5. Comparison of Accounting Ratios with Peer Group Companies:**

We believe there is no other listed company which is specifically comparable to us w.r.t our business model, size and financials.

- 6. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share**

The Issue Price of ₹ [●]/- is determined by our Company in consultation with the Book Running Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled “**Risk Factors**” and chapters titled “**Business Overview**” and “**Restated Financial Statement**” beginning on page nos. 22, 119 and 172 respectively of this Draft Red Herring Prospectus.

### KEY PERFORMANCE INDICATORS (“KPIs”)

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

The KPIs herein have been certified by Statutory Auditor, Vishal Kaushal & Co., Chartered Accountants, by their certificate dated April 23, 2024.

The KPIs of our Company have been disclosed in the sections “**Business Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” starting on pages 119 and 205, respectively. We have described and defined the KPIs, as applicable, in “**Definitions and Abbreviations**” beginning on page 1.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

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

#### FINANCIAL KPIs OF OUR COMPANY

Our company considers that KPIs included herein below have a bearing for arriving at the basis for Issue Price. 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 our company.

<b>(Amount in Lakhs)</b>				
<b>Key Key Financial Performances</b>	<b>31 Dec 23</b>	<b>31 March 23</b>	<b>31 March 22</b>	<b>31 March 21</b>
Revenue from Operations (₹ in Lakhs) <sup>(1)</sup>	3070.56	2831.78	1810.65	981.23
EBITDA (₹ in Lakhs) <sup>(2)</sup>	1191.11	405.72	196.48	145.59
EBITDA Margin (%) <sup>(3)</sup>	38.79%	14.33%	10.85%	14.84%
Profit After Tax (₹ in Lakhs) <sup>(4)</sup>	840.42	257.34	105.73	69.70
PAT Margin (%) <sup>(5)</sup>	27.37%	9.09%	5.84%	7.10%
Net Worth <sup>(6)</sup>	1502.15	661.73	404.40	298.67
RoE (%) <sup>(6)</sup>	55.95%	38.89%	26.14%	23.34%
RoCE (%) <sup>(7)</sup>	65.01%	29.77%	27.39%	24.16%

**Source: The Figure has been certified by our statutory auditors M/s. Vishal Kaushal & Co, Chartered Accountants vide their certificate dated April 23, 2024 having UDIN: 24079919BKESXU157**

#### Notes:

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses reduced by other income.

- 3) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- 4) Profit After Tax Means Profit for the period/year as appearing in the Restated Financial Statements.
- 5) PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
- 6) Net Worth is share capital plus reserve and surplus of the company
- 7) RoE (Return on Equity) (%) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.
- 8) RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing and Short-Term Borrowing.
- 9) Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- 10) Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Construction Expenses, Purchase of stock in trade goods, Changes in inventories of finished goods, work-in-progress and stock in trade.
- 11) Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- 12) Net Fixed Asset Turnover is calculated as Net Turnover divided by Average Fixed Assets which consists of property, plant and equipment and capital work-in-progress.
- 13) Net Working Capital Days is calculated as working capital (current assets minus current liabilities) as at the end of the period / year divided by revenue from operations multiplied by number of days in a period / year.
- 14) Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Statements.

#### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹ in Lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for the respective period.
Gross Profit (₹ in Lakhs)	Gross Profit provides information regarding the profits from manufacturing of products by the Company.
Gross Profit Margin (%)	Gross Profit Margin is an indicator of the profitability on sale of products manufactured by the Company.
EBITDA (₹ in Lakhs)	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.
Profit After Tax (₹ in Lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from average shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the average capital employed in the business.
Net Fixed Asset Turnover (In Times)	Net Fixed Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue

	from operations.
Net Working Capital Days	Net working capital days indicates the working capital requirements of our Company in relation to revenue generated from operations.
Operating Cash Flows (₹ in Lakhs)	Operating cash flows provides how efficiently our company generates cash through its core business activities.
Revenue split between different verticals of company	This metric enables us to track the progress of our revenues in the different verticals of the company.
Contribution to revenue from operations of top 1 / 3 / 5 /10	This metric enables us to track the contribution of our key customers to our revenue and also assess any concentration risks.

## 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**

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 Bonus Issue of Shares, employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

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

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities (—Security(ies)), where the Promoter, members of the Promoter Group, or Shareholder(s) having the right to nominate director(s) in the board of directors of our Company are a party to the transaction (excluding gifts), during the eighteen (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 our Company (calculated based on the pre-Issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling thirty (30) days.

**c) Weighted average cost of acquisition (WACA), floor price and cap price for the last 3 years preceding the DRHP:**

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

The details of issuance of Equity Shares or convertible securities during the 3 years 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 Bonus Issue and employee stock options), in a single transaction or multiple transactions combined together over a span of 30 days is as follows:

Sr. No.	Date of allotment	No. of Shares	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Total Consideration (Rs in Lakhs)
N.A.							

**d) Weighted average cost of acquisition, floor price and cap price:**

Type of transaction	Weighted average cost of acquisition (₹ per equity share)	Floor Price	Cap Price
WACA of primary / new issue acquisition*	NA	[●]	[●]
WACA of secondary acquisition	NA	-	-

\* Excluding the shares issued under issuance of Bonus Shares

Further we had not undertaken any primary / new issuance of Equity Shares or any convertible securities during the period of preceding three years from the date of this DRHP except for issuance of equity shares on bonus issue and private placement of equity shares as disclosed in the section entitled “Capital Structure” on page no. 63 of this DRHP.

**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 2023, 2022 and 2021 and for the period ended December 31, 2023. [●]\***

*\*To be included on finalization of price band*

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

*\*To be included on finalization of price band*

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 22 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 172 of this Draft Red Herring Prospectus.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
**Envirotech Systems Limited,**  
A-29, Block-A , Shyam Vihar Phase-I,  
New Delhi 110043 India

**Sub: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VI-PART A, Clause (9) (L) of the SEBI (ICDR) Regulations, 2018, as amended (the "Regulations")**

Dear Sirs,

We hereby report that the enclosed annexure prepared by the management of **Envirotech Systems 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 fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and its subsidiary and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and its subsidiary and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement

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:

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met
3. the revenue authorities courts will concur with the views expressed herein.

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.

No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory,

administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

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

**For, M/s. HCO & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 001087C**

**CA Neeraj Bansal**  
**Partner**  
**Membership No.: 400248**  
**Date: 17<sup>th</sup> January 2024**  
**Place: New Delhi**  
**UDIN: 24400248BKDNRL5694**

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

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

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

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

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

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

Notes:

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

## SECTION VIII - ABOUT THE COMPANY INDUSTRY OVERVIEW

*The information presented in this section has been extracted from publicly available information, data and statistics. This information, data and statistics has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Summary of Financial Information” and related notes beginning on page 22 and 45 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.*

### **Global macro-economic outlook**

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than- expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers’ near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and—where wage and price pressures are clearly dissipating—adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

**Selected Economies Real GDP Growth**  
(Percent change)

	Estimate		Projections		Difference from October 2023 WEO Projections 1/	
	2022	2023	2024	2025	2024	2025
	Argentina	5.0	-1.1	-2.8	5.0	-5.6
Australia	3.8	1.8	1.4	2.1	0.2	0.1
Brazil	3.0	3.1	1.7	1.9	0.2	0.0
Canada	3.8	1.1	1.4	2.3	-0.2	-0.1
China	3.0	5.2	4.6	4.1	0.4	0.0
Egypt 2/	6.7	3.8	3.0	4.7	-0.6	-0.3
France	2.5	0.8	1.0	1.7	-0.3	-0.1
Germany	1.8	-0.3	0.5	1.6	-0.4	-0.4
India 2/	7.2	6.7	6.5	6.5	0.2	0.2
Indonesia	5.3	5.0	5.0	5.0	0.0	0.0
Iran 2/	3.8	5.4	3.7	3.2	1.2	1.2
Italy	3.7	0.7	0.7	1.1	0.0	0.1
Japan	1.0	1.9	0.9	0.8	-0.1	0.2
Kazakhstan	3.3	4.8	3.1	5.7	-1.1	1.1
Korea	2.6	1.4	2.3	2.3	0.1	0.0
Malaysia	8.7	4.0	4.3	4.4	0.0	0.0
Mexico	3.9	3.4	2.7	1.5	0.6	0.0
Netherlands	4.3	0.2	0.7	1.3	-0.4	-0.2
Nigeria	3.3	2.8	3.0	3.1	-0.1	0.0
Pakistan 2/	6.2	-0.2	2.0	3.5	-0.5	-0.1
Philippines	7.6	5.3	6.0	6.1	0.1	0.0
Poland	5.3	0.6	2.8	3.2	0.5	-0.2
Russia	-1.2	3.0	2.6	1.1	1.5	0.1
Saudi Arabia	8.7	-1.1	2.7	5.5	-1.3	1.3
South Africa	1.9	0.6	1.0	1.3	-0.8	-0.3
Spain	5.8	2.4	1.5	2.1	-0.2	0.0
Thailand	2.6	2.5	4.4	2.0	1.2	-1.1
Türkiye	5.5	4.0	3.1	3.2	0.1	0.0
United Kingdom	4.3	0.5	0.6	1.6	0.0	-0.4
United States	1.9	2.5	2.1	1.7	0.6	-0.1

Source: International Monetary Fund, World Economic Outlook, January 2024 *Update*.

Note: The selected economies account for approximately 83 percent of world output.

1/ Difference based on rounded figures for the current and October 2023 WEO forecasts.

2/ Data and forecasts are presented on a fiscal year basis.

## **The Outlook**

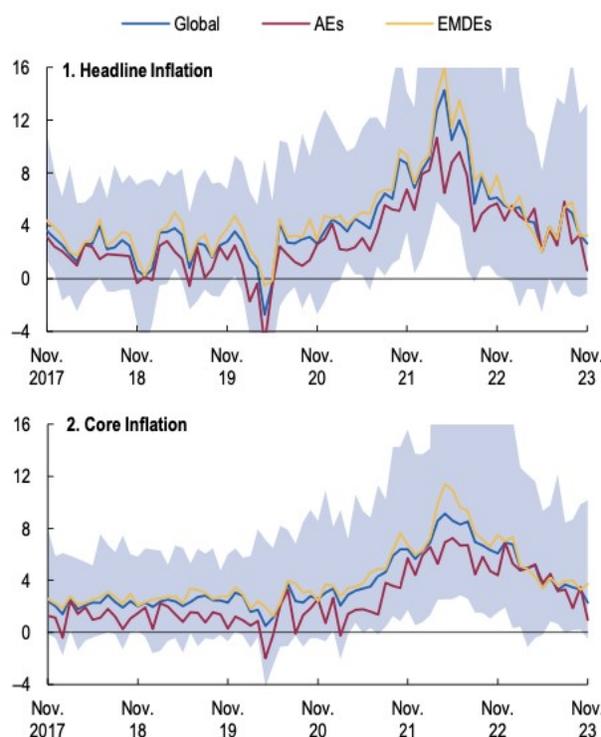
The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply-side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

Growth resilient in major economies. Economic growth is estimated to have been stronger than expected in the second half of 2023 in the United States, and several major emerging market and developing economies. In several cases, government and private spending contributed to the upswing, with real disposable income gains supporting consumption amid still-tight—though easing—labor markets and households drawing down on their accumulated pandemic-era savings. A supply-side expansion also took hold, with a broad-based increase in labor force

participation, resolution of pandemic-era supply chain problems, and declining delivery times. The rising momentum was not felt everywhere, with notably subdued growth in the euro area, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive manufacturing and business investment. Low-income economies continue to experience large output losses compared with their prepandemic (2017–19) paths amid elevated borrowing costs.

Inflation subsiding faster than expected. Amid favorable global supply developments, inflation has been falling faster than expected, with recent monthly readings near the prepandemic average for both headline and underlying (core) inflation (Figure 1). Global headline inflation in the fourth quarter of 2023 is estimated to have been about 0.3 percentage point lower than predicted in the October 2023 WEO on a quarter-over-quarter seasonally adjusted basis. Diminished inflation reflects the fading of relative price shocks— notably those to energy prices—and their associated pass-through to core inflation.<sup>1</sup> The decline also reflects an easing in labor market tightness, with a decline in job vacancies, a modest rise in unemployment, and greater labor supply, in some cases associated with a strong inflow of immigrants. Wage growth has generally remained contained, with wage-price spirals—in which prices and wages accelerate together—not taking hold. Near-term inflation expectations have fallen in major economies, with long-term expectations remaining anchored.

**Figure 1. Global Inflation: Rise and Fall**  
(Month-over-month annualized percent change, seasonally adjusted)



Sources: Haver Analytics; and IMF staff calculations.

Note: The figure plots the median of a sample of 57 economies that accounts for 78 percent of *World Economic Outlook* world GDP (in weighted purchasing-power-parity terms) in 2023. Vertical axes are cut off at -4 percent and 16 percent. The bands depict the 10th to 90th percentiles of inflation across economies. "Core inflation" is the percent change in the consumer price index for goods and services, excluding food and energy (or the closest available measure). AEs = advanced economies; EMDEs = emerging market and developing economies.

fallen even further below the prepandemic trend, on average the fiscal stance is estimated to have been neutral. The exceptions include Brazil and Russia, where fiscal policy eased in 2023. In low-income countries, liquidity squeezes and the elevated cost of interest payments—averaging 13 percent of general government revenues, about double the level 15 years ago—crowded out necessary investments, hampering the recovery of large output losses compared

High borrowing costs cooling demand. To reduce inflation, major central banks raised policy interest rates to restrictive levels in 2023, resulting in high mortgage

costs, challenges for firms refinancing their debt, tighter credit availability, and weaker business and residential investment. Commercial real estate has been especially under pressure, with higher borrowing costs compounding post pandemic structural changes. But with inflation easing, market expectations that future policy rates will decline have contributed to a reduction in longer-term interest rates and rising equity markets (Box 1). Still, long-term borrowing costs remain high in both advanced and emerging market and developing economies, partly because government debt has been rising. In addition, central banks' policy rate decisions are becoming increasingly asynchronous. In some countries with falling inflation—including Brazil and Chile, where central banks tightened policy earlier than in other countries—interest rates have been declining since the second half of 2023. In China, where inflation has been near zero, the central bank has eased monetary policy. The Bank of Japan has kept short-term interest rates near zero.

Fiscal policy amplifying economic divergences. Governments in advanced economies eased fiscal policy in 2023. The United States, where GDP had already exceeded its prepandemic path, eased policy more than did euro area and other economies in which the recovery was incomplete. In emerging market and developing economies, in which output has on average

with pre-pandemic trends. In 2024, the fiscal policy stance is expected to tighten in several advanced and emerging market and developing economies to rebuild budgetary room for maneuver and curb the rising path of debt, and this shift is expected to slow growth in the near term.

## **The Forecast**

Global growth, estimated at 3.1 percent in 2023, is projected to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025 (Table 1). Compared with that in the October 2023 WEO, the forecast for 2024 is about 0.2 percentage point higher, reflecting upgrades for China, the United States, and large emerging market and developing economies. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

World trade growth is projected at 3.3 percent in 2024 and 3.6 percent in 2025, below its historical average growth rate of 4.9 percent. Rising trade distortions and geoeconomic fragmentation are expected to continue to weigh on the level of global trade. Countries imposed about 3,200 new restrictions on trade in 2022 and about 3,000 in 2023, up from about 1,100 in 2019, according to Global Trade Alert data.

These forecasts are based on assumptions that fuel and nonfuel commodity prices will decline in 2024 and 2025 and that interest rates will decline in major economies. Annual average oil prices are projected to fall by about 2.3 percent in 2024, whereas nonfuel commodity prices are expected to fall by 0.9 percent. IMF staff projections are for policy rates to remain at current levels for the Federal Reserve, the European Central Bank, and the Bank of England until the second half of 2024, before gradually declining as inflation moves closer to targets. The Bank of Japan is projected to maintain an overall accommodative stance.

For advanced economies, growth is projected to decline slightly from 1.6 percent in 2023 to 1.5 percent in 2024 before rising to 1.8 percent in 2025. An upward revision of 0.1 percentage point for 2024 reflects stronger-than-expected US growth, partly offset by weaker-than-expected growth in the euro area.

- In the United States, growth is projected to fall from 2.5 percent in 2023 to 2.1 percent in 2024 and 1.7 percent in 2025, with the lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labor markets slowing aggregate demand. For 2024, an upward revision of 0.6 percentage point since the October 2023 WEO largely reflects statistical carryover effects from the stronger-than-expected growth outcome for 2023.
- Growth in the euro area is projected to recover from its low rate of an estimated 0.5 percent in 2023, which reflected relatively high exposure to the war in Ukraine, to 0.9 percent in 2024 and 1.7 percent in 2025. Stronger household consumption as the effects of the shock to energy prices subside and inflation falls, supporting real income growth, is expected to drive the recovery. Compared with the October 2023 WEO forecast, however, growth is revised downward by 0.3 percentage point for 2024, largely on account of carryover from the weaker- than-expected outcome for 2023.
- Among other advanced economies, growth in the United Kingdom is projected to rise modestly, from an estimated 0.5 percent in 2023 to 0.6 percent in 2024, as the lagged negative effects of high energy prices wane, then to 1.6 percent in 2025, as disinflation allows an easing in financial conditions and permits real incomes to recover. The markdown to growth in 2025 of 0.4 percentage point reflects reduced scope for growth to catch up in light of recent upward statistical revisions to the level of output through the pandemic period. Output in Japan is projected to remain above potential as growth decelerates from an estimated 1.9 percent in 2023 to 0.9 percent in 2024 and 0.8 percent in 2025, reflecting the fading of one-off factors that supported activity in 2023, including a depreciated yen, pent-up demand, and a recovery in business investment following earlier delays in implementing projects.

In emerging market and developing economies, growth is expected to remain at 4.1 percent in 2024 and to rise to 4.2 percent in 2025. An upward revision of 0.1 percentage point for 2024 since October 2023 reflects upgrades for several regions.

- Growth in emerging and developing Asia is expected to decline from an estimated 5.4 percent in 2023 to 5.2 percent in 2024 and 4.8 percent in 2025, with an upgrade of 0.4 percentage point for 2024 over the October 2023 projections, attributable to China's economy. Growth in China is projected at 4.6 percent in 2024 and 4.1 percent in 2025, with an upward revision of 0.4 percentage point for 2024 since the October 2023 WEO. The upgrade reflects carryover from stronger-than-expected growth in 2023 and increased government spending on capacity building against natural disasters. Growth in India is projected to remain strong at 6.5 percent in both 2024 and 2025, with an upgrade from October of 0.2 percentage point for both years, reflecting resilience in domestic demand.
- Growth in emerging and developing Europe is projected to pick up from an estimated 2.7 percent in 2023 to 2.8 percent in 2024, before declining to 2.5 percent in 2025. The forecast upgrade for 2024 of 0.6 percentage point over October 2023 projections is attributable to Russia's economy. Growth in Russia is projected at 2.6 percent in 2024 and 1.1 percent in 2025, with an upward revision of 1.5 percentage points over the October 2023 figure for 2024, reflecting carryover from stronger-than-expected growth in 2023 on account of high military spending and private consumption, supported by wage growth in a tight labor market.
- In Latin America and the Caribbean, growth is projected to decline from an estimated 2.5 percent in 2023 to 1.9 percent in 2024 before rising to 2.5 percent in 2025, with a downward revision for 2024 of 0.4 percentage point compared with the October 2023 WEO projection. The forecast revision for 2024 reflects negative growth in Argentina in the context of a significant policy adjustment to restore macroeconomic stability. Among other major economies in the region, there are upgrades of 0.2 percentage point for Brazil and 0.6 percentage point for Mexico, largely due to carryover effects from stronger-than-expected domestic demand and higher-than-expected growth in large trading-partner economies in 2023.
- Growth in the Middle East and Central Asia is projected to rise from an estimated 2.0 percent in 2023 to 2.9 percent in 2024 and 4.2 percent in 2025, with a downward revision of 0.5 percentage point for 2024 and an upward revision of 0.3 percentage point for 2025 from the October 2023 projections. The revisions are mainly attributable to Saudi Arabia and reflect temporarily lower oil production in 2024, including from unilateral cuts and cuts in line with an agreement through OPEC+ (the Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters), whereas non-oil growth is expected to remain robust.
- In sub-Saharan Africa, growth is projected to rise from an estimated 3.3 percent in 2023 to 3.8 percent in 2024 and 4.1 percent in 2025, as the negative effects of earlier weather shocks subside and supply issues gradually improve. The downward revision for 2024 of 0.2 percentage point from October 2023 mainly reflects a weaker projection for South Africa on account of increasing logistical constraints, including those in the transportation sector, on economic activity.

### **Inflation Outlook**

Global headline inflation is expected to fall from an estimated 6.8 percent in 2023 (annual average) to 5.8 percent in 2024 and 4.4 percent in 2025. The global forecast is unrevised for 2024 compared with October 2023 projections and revised down by 0.2 percentage point for 2025. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0 percentage points in 2024 to 2.6 percent, than are emerging market and developing economies, where inflation is projected to decline by just 0.3 percentage point to 8.1 percent. The forecast is revised down for both 2024 and 2025 for advanced economies, while it is revised up for 2024 for emerging market and developing economies, mainly on account of Argentina where the realignment of relative prices and elimination of legacy price controls, past currency depreciation, and the related pass-through into prices is expected to increase inflation in the near term. The drivers of declining inflation differ by country but generally reflect lower core inflation as a result of still-tight monetary policies, a related softening in labor markets, and pass-through effects from earlier and ongoing declines in relative energy prices.

Overall, about 80 percent of the world's economies are expected to see lower annual average headline and core inflation in 2024. Among economies with an inflation target, headline inflation is projected to be 0.6 percentage

point above target for the median economy by the fourth quarter of 2024, down from an estimated gap of 1.7 percentage points at the end of 2023. Most of these economies are expected to reach their targets (or target range midpoints) by 2025. In several major economies, the downward revision to the projected path of inflation, combined with a modest upgrade to economic activity, implies a softer-than-expected landing.

**Table 1. Overview of the World Economic Outlook Projections**  
(Percent change, unless noted otherwise)

	Year over Year								
	Estimate		Projections		Difference from October 2023		Q4 over Q4 2/		
	2022	2023	2024	2025	2024	2025	2023	2024	2025
<b>World Output</b>	3.5	3.1	3.1	3.2	0.2	0.0	3.1	3.1	3.1
<b>Advanced Economies</b>	2.6	1.6	1.5	1.8	0.1	0.0	1.6	1.6	1.7
United States	1.9	2.5	2.1	1.7	0.6	-0.1	2.9	1.5	1.9
Euro Area	3.4	0.5	0.9	1.7	-0.3	-0.1	0.2	1.5	1.6
Germany	1.8	-0.3	0.5	1.6	-0.4	-0.4	-0.1	1.1	1.9
France	2.5	0.8	1.0	1.7	-0.3	-0.1	0.6	1.4	1.8
Italy	3.7	0.7	0.7	1.1	0.0	0.1	0.2	1.3	1.0
Spain	5.8	2.4	1.5	2.1	-0.2	0.0	1.5	1.8	2.1
Japan	1.0	1.9	0.9	0.8	-0.1	0.2	1.4	1.6	0.5
United Kingdom	4.3	0.5	0.6	1.6	0.0	-0.4	0.9	0.6	1.8
Canada	3.8	1.1	1.4	2.3	-0.2	-0.1	1.1	1.9	2.2
Other Advanced Economies 3/	2.7	1.7	2.1	2.5	-0.1	0.2	1.5	2.6	2.0
<b>Emerging Market and Developing Economies</b>	4.1	4.1	4.1	4.2	0.1	0.1	4.3	4.3	4.1
Emerging and Developing Asia	4.5	5.4	5.2	4.8	0.4	-0.1	5.2	5.5	4.7
China	3.0	5.2	4.6	4.1	0.4	0.0	5.4	4.4	4.0
India 4/	7.2	6.7	6.5	6.5	0.2	0.2	5.0	7.8	6.7
Emerging and Developing Europe	1.2	2.7	2.8	2.5	0.6	0.0	4.1	2.0	2.9
Russia	-1.2	3.0	2.6	1.1	1.5	0.1	4.4	1.4	1.0
Latin America and the Caribbean	4.2	2.5	1.9	2.5	-0.4	0.1	2.2	1.7	2.6
Brazil	3.0	3.1	1.7	1.9	0.2	0.0	2.3	2.6	1.4
Mexico	3.9	3.4	2.7	1.5	0.6	0.0	3.4	1.9	1.4
Middle East and Central Asia	5.5	2.0	2.9	4.2	-0.5	0.3	...	...	...
Saudi Arabia	8.7	-1.1	2.7	5.5	-1.3	1.3	-4.5	2.8	5.4
Sub-Saharan Africa	4.0	3.3	3.8	4.1	-0.2	0.0	...	...	...
Nigeria	3.3	2.8	3.0	3.1	-0.1	0.0	2.7	3.3	2.9
South Africa	1.9	0.6	1.0	1.3	-0.8	-0.3	1.0	1.2	1.3
<i>Memorandum</i>									
World Growth Based on Market Exchange Rates	3.0	2.7	2.6	2.7	0.2	0.0	2.7	2.5	2.6
European Union	3.6	0.6	1.2	1.9	-0.3	-0.2	0.7	1.4	2.3
ASEAN-5 5/	5.5	4.2	4.7	4.4	0.2	-0.1	4.1	5.2	3.5
Middle East and North Africa	5.6	2.0	2.9	4.2	-0.5	0.3	...	...	...
Emerging Market and Middle-Income Economies	4.0	4.2	4.0	4.0	0.1	0.0	4.3	4.3	4.1
Low-Income Developing Countries	5.2	4.0	5.0	5.6	-0.1	0.0	...	...	...
<b>World Trade Volume (goods and services) 6/</b>	5.2	0.4	3.3	3.6	-0.2	-0.1	...	...	...
Advanced Economies	6.1	0.3	2.6	3.2	-0.4	-0.1	...	...	...
Emerging Market and Developing Economies	3.7	0.6	4.5	4.4	0.2	0.0	...	...	...
<b>Commodity Prices</b>									
Oil 7/	39.2	-16.0	-2.3	-4.8	-1.6	0.1	-2.8	-6.1	-4.9
Nonfuel (average based on world commodity import)	7.9	-6.1	-0.9	-0.4	1.8	-0.3	-2.0	1.5	0.2
<b>World Consumer Prices 8/</b>	8.7	6.8	5.8	4.4	0.0	-0.2	6.0	5.3	3.8
Advanced Economies 9/	7.3	4.6	2.6	2.0	-0.4	-0.2	3.1	2.3	2.0
Emerging Market and Developing Economies 8/	9.8	8.4	8.1	6.0	0.3	-0.2	8.4	7.7	5.2

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 30–November 27, 2023. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = *World Economic Outlook*.

1/ Difference based on rounded figures for the current and October 2023 WEO forecasts. Countries for which forecasts have been updated relative to October 2023 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (80 percent) of annual world (emerging market and developing economies') output at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and projections are presented on a fiscal year (FY) basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.7 percent in 2024 and 6.8 percent in 2025 based on calendar year.

5/ Indonesia, Malaysia, Philippines, Singapore, Thailand.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of November 29, 2023), is \$79.10 in 2024 and \$75.31 in 2025.

8/ Excludes Venezuela.

9/ The assumed inflation rate for the euro area is 2.8% in 2024 and 2.1% in 2025, that for Japan is 2.7% in 2024 and 2.0% in 2025, and that for the United States is 2.2% in 2024 and 1.9% in 2025.

## **Indian macro-economic outlook**

Following a strong outcome in FY 2022-23, real GDP growth is projected to slow to 6.3% in FY 2023-24 and 6.1% in FY 2024-25 on account of adverse weather-related events and the weakening international outlook. Surging services exports and public investment will continue to drive the economy. Inflation will decline progressively, with corresponding improvements of purchasing power. This, along with the end of the El Niño weather pattern, productivity gains from recent policy reforms, and improved global conditions, will help economic activity to strengthen, with projected real GDP growth of 6.5% in FY 2025-26.

Monetary policy easing is assumed to start in the second half of 2024, supporting business investment and discretionary household spending. Government investment will remain at high levels. Nevertheless, further fiscal consolidation is expected, which will increase financial space for the private sector. The challenges that remain to eradicate poverty, mitigate climate change, and accelerate income convergence require substantial fiscal efforts to mobilise additional resources and strengthen regulations, institutions, and standards to steer consumers towards inclusive and sustainable practices.

FY 2023-24 started with strong growth driven by public investment and private consumption. However, the global economic slowdown has hit merchandise trade. There are differences along sectoral and territorial lines: services (finance and export-oriented segments in particular) are more buoyant than manufacturing and urban areas are performing better than rural ones. Recent economic statistics are sending mixed signals. According to the income-based national accounts, real GDP grew by 7.8% year-on-year in the April-June quarter, whereas it grew considerably less in the expenditure-based account.

	2020	2021	2022	2023	2024	2025
<b>India</b>	Current prices INR trillion	Percentage changes, volume (2011/2012 prices)				
<b>GDP at market prices</b>	198.3	9.1	7.2	6.3	6.1	6.5
Private consumption	121.5	11.2	7.5	4.6	6.9	7.2
Government consumption	23.0	6.6	0.1	3.3	5.2	3.7
Gross fixed capital formation	54.0	14.6	11.4	5.5	5.5	6.3
Final domestic demand	198.6	11.5	7.8	4.7	6.3	6.6
Stockbuilding <sup>2</sup>	0.5	0.8	0.0	0.0	0.0	0.0
Total domestic demand	199.1	8.0	8.1	9.7	6.2	6.5
Exports of goods and services	37.1	29.3	13.6	-3.3	7.0	6.4
Imports of goods and services	37.9	21.8	17.1	11.3	7.4	6.6
Net exports <sup>1</sup>	-0.8	0.9	-1.0	-3.7	-0.5	-0.4
<i>Memorandum items</i>						
GDP deflator	-	8.5	8.2	1.6	4.7	5.0
Consumer price index	-	5.5	6.7	6.1	5.3	4.2
Wholesale price index <sup>3</sup>	-	13.0	9.4	0.2	4.3	3.6
General government financial balance <sup>4</sup> (% of GDP)	-	-10.4	-8.9	-8.4	-7.5	-7.0
Current account balance (% of GDP)	-	-1.2	-2.0	-2.2	-2.4	-2.2

Note: Data refer to fiscal years starting in April.

1. Contributions to changes in real GDP, actual amount in the first column.

2. Actual amount in first column includes statistical discrepancies and valuables.

3. WPI, all commodities index.

4. Gross fiscal balance for central and state governments.

Source: OECD Economic Outlook 114 database.

Source: [https://issuu.com/oecd.publishing/docs/india-oecd-economic-outlook-november-2023?fi=xKAE9\\_zU1NQ](https://issuu.com/oecd.publishing/docs/india-oecd-economic-outlook-november-2023?fi=xKAE9_zU1NQ)

## **Market Size**

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 301.75 trillion (US\$ 3.62 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q1 of 2023-24 was Rs. 70.67 trillion (US\$ 848.92 billion), as against Rs. 65.42

trillion (US\$ 785.85 billion) in 2022-23, estimating a growth of 8%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, 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) decreases to US\$ 9.2 billion in Q1 of 2023-24 from US\$ 17.9 billion in Q1 of 2022-2023.

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 Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

## **Recent Development**

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.

- As of August 2023, India's foreign exchange reserves stood at US\$ 594.90 billion.
- In the first half of 2023-24, India saw a total of US\$ 21 billion in PE-VC investments.
- Merchandise exports in September 2023 stood at US\$ 34.47 billion, with total merchandise exports of US\$ 211.40 billion during the period of April-September (2023-24).
- 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.
- PMI Services remained comfortably in the expansionary zone at 62.3 in the month of June 2023.
- In September 2023, the gross Goods and Services Tax (GST) revenue collection stood at Rs.1,62,712 crore (US\$ 19.54 billion), of which CGST is Rs. 29,818 crore (US\$ 3.58 billion), SGST is Rs. 37,657 crore (US\$ 4.52 billion), IGST is Rs. 83,623 crore (US\$ 10.04 billion).
- Between April 2000-June 2023, cumulative FDI equity inflows to India stood at US\$ 937.58 billion.
- In August 2023, the overall IIP (Index of Industrial Production) stood at 145.1. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 111.9, 143.5 and 220.5, respectively, in August 2023.

According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.02% in September 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 Rs. 22,000 crore (US\$ 2.67 billion) in India during the first week of July 2023.

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:

- On August 6th, 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 28th, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Atma Nirbhar Bharat' and 'Local goes Global'.
- In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- 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).
- 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.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20th, 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.) in order 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 14th, 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 11th, 2022.
- 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.
- 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 1st, 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 launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- 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.

### **Overview and Application of Acoustics Market**

Acoustical engineering (also known as acoustic engineering) is the branch of engineering dealing with sound and vibration. It includes the application of acoustics, the science of sound and vibration, in technology. One goal of acoustical engineering can be the reduction of unwanted noise, which is referred to as noise control.

### **Global Market**

The global acoustic insulation market was valued at USD 14.08 billion in 2021 and is projected to reach USD 17.07 billion by 2026, growing at a CAGR of 3.9% from 2021 to 2026. The Indian acoustic insulation market was estimated at approximately USD 217 million in 2020, with a projected CAGR of around 7% from 2021 to 2026. The construction sector accounts for a significant share of the acoustic insulation market, driven by the growing demand for noise control in buildings. The industrial sector, including manufacturing, power generation, and petrochemical industries, is a key consumer of acoustic insulation products to ensure compliance with noise regulations and improve worker safety. The transportation sector, encompassing automotive, railways, aviation, and maritime industries, presents substantial growth opportunities for acoustic insulation due to the focus on passenger comfort and noise reduction.

(Source: <https://www.marketsandmarkets.com/Market-Reports/acoustic-insulation-market-41399747.html>)

The global noise control system market is estimated at US\$ 6.4 billion in 2023. The market is projected to reach US\$ 10.3 billion by 2033, exhibiting a CAGR of 4.8% from 2023 to 2033. In terms of growth, North America holds a dominant share in the global noise control systems market. Asia Pacific region is projected to grow prominently and is expected to retain its commanding position throughout the course of the forecast period. All the other key regions are driving the market growth and opening various opportunities for manufacturers. The World Health Organization and the Organization for Economic Co-operation and Development are the two primary regulatory authorities that study and assess the impact of environmental noise. Several laws have been introduced across the world to curb the menace of sound pollution and reduce its associated health issues. For e.g., in Saudi Arabia, traffic noise is a major problem on account of the rapid growth of urban agglomerations coupled with high population growth. Therefore, the best way to control this scourge is by the imposition of heavy fines that should reduce noise levels in the region.

Attribute	Details
Noise Control System Market Value (2022)	US\$ 6.2 billion
Noise Control System Market Value (2023)	US\$ 6.4 billion
Noise Control System Market Expected Value (2033)	US\$ 10.3 billion
Noise Control System Market Projected CAGR (2023 to 2033)	4.8%

(Source: <https://www.futuremarketinsights.com/reports/noise-control-system-market>)

### **Indian Market**

India's Acoustics market i.e. NVH (Noise, Vibration, and Harshness) Testing market has valued at USD 141 million in 2023 and is anticipated to project robust growth in the forecast period with a CAGR of 7.33% through 2029. The Noise, Vibration, and Harshness (NVH) Testing market in India have been experiencing significant growth and transformation in recent years, reflecting the country's dynamic industrial landscape and increasing focus on product quality and performance. NVH testing is a critical aspect of product development and quality assurance across various industries, and India is no exception to this global trend. This burgeoning market is shaped by a multitude of factors, including the rapid expansion of the automotive, aerospace, consumer electronics, and construction sectors, all of which rely heavily on NVH testing to ensure their products meet stringent noise and vibration standards.

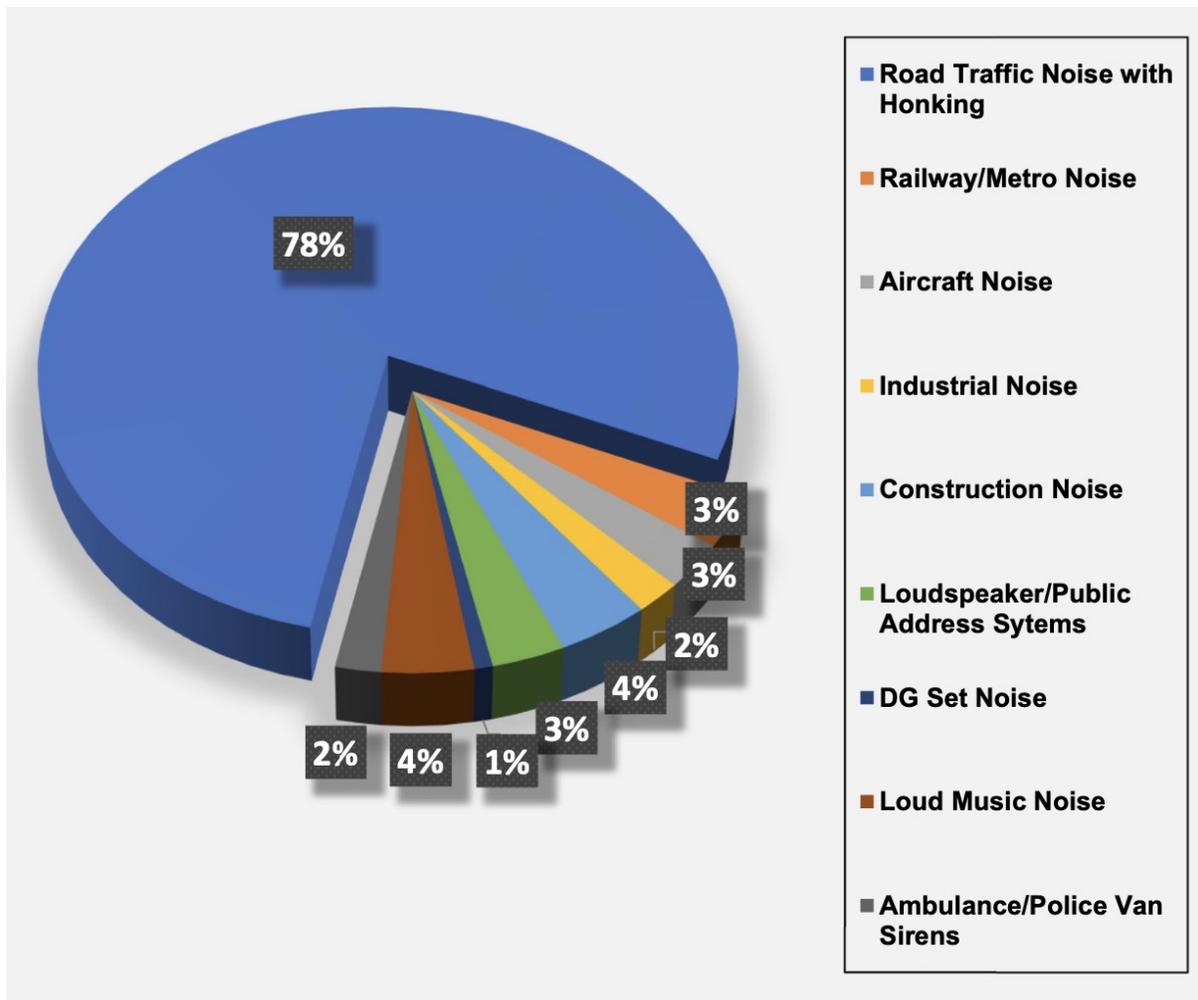
The Indian acoustic insulation industry has witnessed significant growth in recent years due to the increasing focus on noise control, improved building standards, and enhanced awareness of the detrimental effects of noise pollution.

Acoustic Insulation Market - Growth Rate by Region, 2021-2026



(Source Mordor Intelligence <https://www.mordorintelligence.com/industry-reports/acoustic-insulation-market>)

Sectors contributing to noise pollution as below;



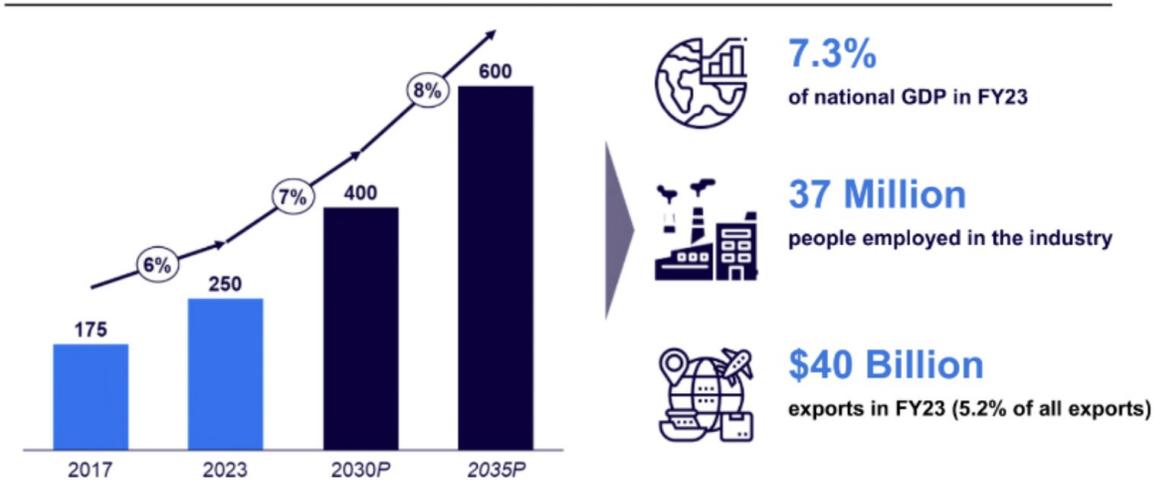
(Source:

<https://www.techsciresearch.com/report/india-nvh-testing-market/1920.html>

Source Apportionment Analysis obtained from socio- acoustic survey among community (N = 554) in the NCT of Delhi)

India's automotive industry, one of the largest in the world, has witnessed a surge in NVH testing activities. As Indian consumers become increasingly discerning and prioritize vehicle comfort and noise reduction, automakers and suppliers are investing significantly in NVH testing to meet these expectations. This is particularly relevant in the context of India's diverse and challenging road conditions, where NVH testing plays a pivotal role in enhancing the driving experience. Furthermore, as the country transitions towards cleaner and more sustainable transportation solutions, such as electric vehicles (EVs), NVH testing is indispensable in optimizing the acoustic performance of these vehicles, ensuring they are not only eco-friendly but also comfortable and quiet.

**Indian Automotive<sup>1</sup> Industry**  
(2017-2035, USD bn)



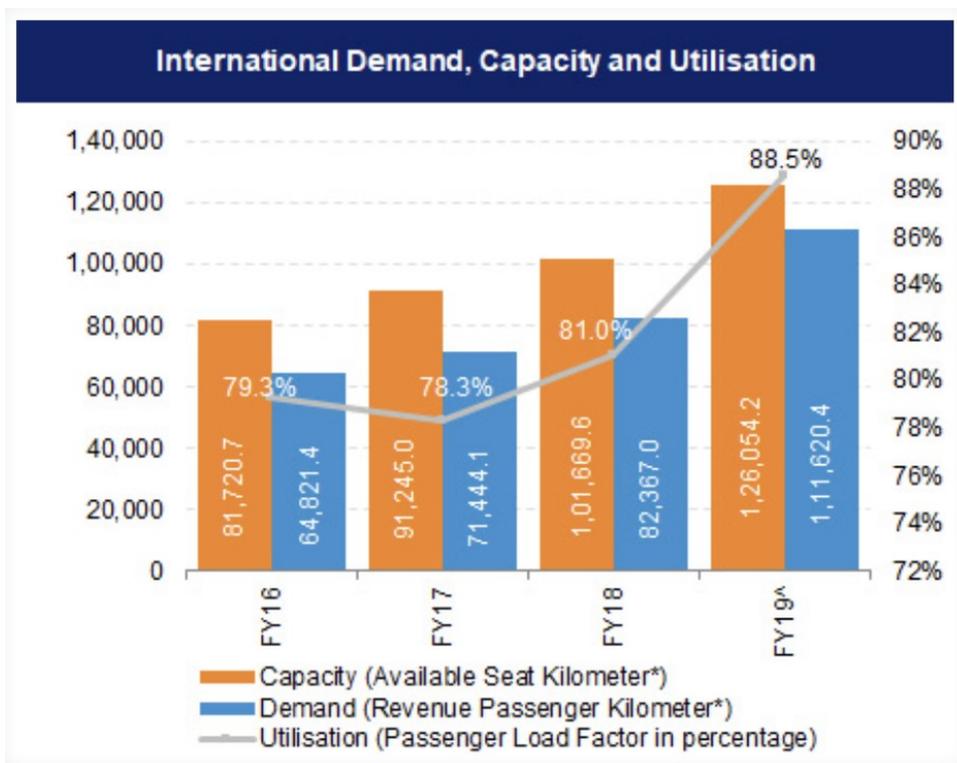
Note: 1) – Includes vehicles, components, ER&D and other services  
Source: Invest India, PIB, Arthur D. Little analysis

The auto sector is one of the key pillars of the growing economy in India, contributing about 7.3 percent to our GDP. The Indian automobile industry posted a satisfactory performance, with the domestic industry growing by 12.5 per cent during the last financial year (FY24) to 2,38,53,463 units compared with 2,12,04,846 in the previous year. In terms of future outlook, the industry expects to remain optimistic as the macroeconomic outlook remains positive. Coupled with good monsoon outlook, the industry is expecting continued growth this year as well. Given the positive outlook for automotive industry, acoustics industry could also get boost as both industries perform parallelly.

(Source:

[http://timesofindia.indiatimes.com/articleshow/103600182.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/103600182.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)  
<https://www.thehindubusinessline.com/economy/indian-automobile-industry-records-125-growth-in-fy24/article68057552.ece>)

The aerospace industry in India has also embraced NVH testing as a critical component of research and development efforts. With the growth of the aviation sector and the government's emphasis on indigenous aerospace manufacturing, there is a heightened focus on meeting global standards for aircraft noise reduction and passenger comfort. NVH testing ensures that aircraft and their components comply with stringent noise and vibration criteria, contributing to safer and more comfortable air travel experiences. This sector's increasing reliance on NVH testing is indicative of India's ambition to establish itself as a global player in aerospace manufacturing and technology. The consumer electronics sector in India has been experiencing a seismic shift, driven by the rapid digitalization, and changing consumer preferences. As consumers demand quieter and more efficient electronic devices, manufacturers are integrating NVH testing into their product development processes. This is particularly crucial in the realm of smartphones, laptops, and home appliances, where noise and vibration levels can significantly impact user satisfaction and product performance. With the proliferation of Internet of Things (IoT) devices and the expansion of the smart home ecosystem, NVH testing has become indispensable to ensure a seamless and quiet user experience.



India is expected to overtake China and the United States as the world's third-largest air passenger market in the next ten years, by 2030, according to the International Air Transport Association (IATA). Further, the rising demand in the sector has pushed the number of airplanes operating in the sector. The number of airplanes is expected to reach 1,100 planes by 2027.

During April-October 2023, the domestic passenger traffic stood at 175.42 million, registering a 19.4% increase, and international passenger traffic stood at 38.55 million, a 26.2% increase, as compared to the same period the previous year.

In FY23, airports in India pegged the domestic passenger traffic to reach 270.34 million, a 62.1% YoY increase, and international passenger traffic to reach 56.9 million, a 157% YoY increase, as compared to FY22.

(Source: <https://www.ibef.org/industry/indian-aviation>)

Between FY16 and FY23, freight traffic increased at a CAGR of 2.20% from 2.70 MMT to 3.15 MMT. Freight traffic stood at 3.15 million metric tonnes in FY23. Freight traffic in airports in India has the potential to reach 17 MT by FY40. In FY22, the number of aircraft movements stood at 1,757,112, and aircraft movements reached 2.5 million in FY23. To cater to the rising air traffic, the Government of India has been working towards increasing the number of airports. As of 2023, India has 148 operational airports. India has envisaged increasing the number of operational airports to 220 by 2025. Acoustics also play a major role in aerospace industry and given the demand in aerospace industry, acoustics demand could be witnessed parallelly.

Moreover, India's construction and infrastructure development sector are on an upward trajectory, driven by urbanization and ambitious government initiatives like the development of smart cities. In this context, NVH testing plays a crucial role in addressing noise and vibration concerns associated with buildings, bridges, and other infrastructure projects. Ensuring structural integrity and occupant comfort is paramount, and NVH testing helps in achieving these goals in the context of densely populated urban environments. The construction industry's increasing adoption of NVH testing reflects its commitment to delivering high-quality and sustainable infrastructure solutions. The growth of the NVH testing market in India is further catalysed by the country's emergence as a global

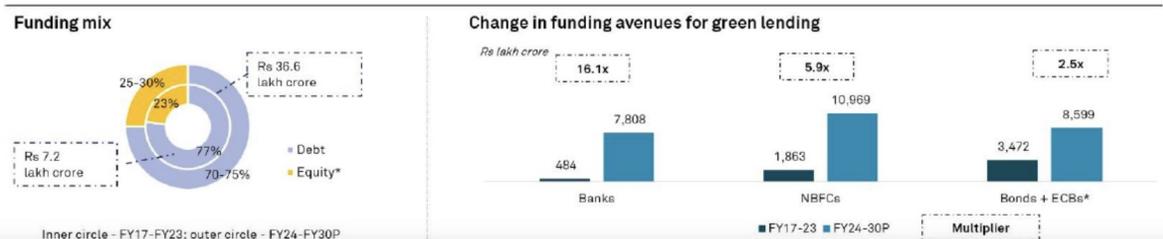
manufacturing and technology hub. International companies specializing in NVH testing solutions view India as a strategic market and are expanding their presence to tap into the country's burgeoning demand. This not only contributes to the growth of the NVH testing market but also enhances India's capabilities in research and development, manufacturing, and service delivery in this field.

### Huge investments lined up in infrastructure

	Total investments		Green investments		Total investments	
	2017-2023E	2024-2030P	2017-2023E	2024-2030P	2017-2023E	2024-2030P
<b>Core infra</b>	Rs 50.4 lakh crore	Rs 96.8 lakh crore	NA	NA	Rs 50.4 lakh crore	Rs 96.8 lakh crore
<b>Energy</b>	Rs 15.5 lakh crore	Rs 39.1 lakh crore	Rs 6.6 lakh crore	Rs 30.3 lakh crore	Rs 18.3 lakh crore	Rs 37.3 lakh crore
<b>Transport</b>	Rs 0.8 lakh crore	Rs 7.0 lakh crore	Rs 0.6 lakh crore	Rs 6.3 lakh crore	Rs 12.4 lakh crore	Rs 25.6 lakh crore
<b>Overall infrastructure</b>	Rs 66.7 lakh crore	Rs 142.9 lakh crore	Rs 7.2 lakh crore	Rs 36.6 lakh crore	Rs 8.6 lakh crore	Rs 18.9 lakh crore
<b>Other infra</b>	Rs 11.1 lakh crore	Rs 15.0 lakh crore			Rs 11.1 lakh crore	Rs 15.0 lakh crore

Source: CRISIL M&A Research

### Funding green infra



India will spend nearly Rs 143 lakh crore on infrastructure in seven fiscals through 2030, more than twice the ~Rs 67 lakh crore spent in the previous seven starting fiscal 2017.

(Source: <https://www.crisil.com/en/home/newsroom/press-releases/2023/10/indias-infrastructure-spending-to-double-to-rs-143-lakh-crore-between-fiscals-2024-and-2030-compared-with-2017-2023.html>)

As the NVH testing market in India continues to expand, there are several key trends and challenges to consider. Firstly, the adoption of advanced technologies such as simulation software, virtual testing, and artificial intelligence-driven analytics is on the rise, allowing for more efficient and cost-effective NVH testing processes.

Additionally, the need for NVH testing in electric and hybrid vehicles is expected to increase significantly as India advances its electrification efforts. However, challenges related to skill shortages in NVH testing expertise and the high cost of specialized equipment remain. Bridging the skill gap and making NVH testing services more accessible to small and medium-sized enterprises will be crucial for sustained market growth.

In conclusion, the India NVH testing market is undergoing a remarkable transformation driven by the automotive, aerospace, consumer electronics, and construction industries' growing emphasis on product quality, performance, and user experience. The adoption of NVH testing across these sectors reflects India's commitment to global standards and its aspiration to be a leader in manufacturing and technology. With the right investments in technology, skills, and infrastructure, the NVH testing market in India is poised for continued expansion and innovation, making it an integral part of the country's industrial landscape.

## Key Industry Drivers

### Automotive Industry Growth

The growth of the automotive industry in India serves as a prominent driver for the Noise, Vibration, and Harshness (NVH) Testing market. India is one of the world's largest and fastest-growing automotive markets, with a robust domestic demand driven by a burgeoning middle-class population, urbanization, and increased consumer purchasing power. As consumers become more discerning and prioritize vehicle comfort, noise reduction, and overall driving

experience, automakers and suppliers are increasingly investing in NVH testing solutions. NVH testing plays a pivotal role in ensuring that vehicles meet stringent noise and vibration standards. In the Indian context, where road conditions can be diverse and challenging, NVH testing is indispensable for optimizing the acoustic performance of vehicles, enhancing comfort, and ensuring noise levels meet regulatory requirements. Furthermore, with the ongoing transition to electric vehicles (EVs) and the development of hybrid technologies, NVH testing becomes even more critical to ensure these eco-friendly vehicles maintain high levels of comfort and quietness. As the automotive industry continues to expand in India, the demand for NVH testing services and equipment is expected to grow in tandem, making it a key market driver.

### **Aerospace Sector Expansion**

The burgeoning aerospace sector in India is another significant driver for the NVH Testing market. India's aviation industry has been growing steadily, with an increasing number of passengers and a focus on enhancing the passenger experience. To meet global standards for aircraft noise reduction and passenger comfort, NVH testing has become an integral part of research and development efforts in the aerospace sector. NVH testing ensures that aircraft and their components comply with stringent noise and vibration criteria, contributing to safer and more comfortable air travel experiences. As India aims to establish itself as a global player in aerospace manufacturing and technology, NVH testing becomes indispensable. The government's emphasis on indigenous aerospace manufacturing, coupled with the growth of commercial aviation and defense-related projects, is propelling the demand for NVH testing solutions. With the aerospace sector expected to continue its upward trajectory in India, driven by both domestic and international demand, the NVH Testing market will witness sustained growth, making it a key driver within the industry.

### **Consumer Electronics Revolution**

The consumer electronics sector in India is experiencing a revolutionary transformation, driven by rapid digitalization and evolving consumer preferences. As consumers demand quieter and more efficient electronic devices, manufacturers are incorporating NVH testing into their product development processes. This is particularly crucial for smartphones, laptops, home appliances, and other electronic products where noise and vibration levels can significantly impact user satisfaction and product performance. NVH testing helps identify and mitigate noise and vibration issues, ensuring products meet customer expectations. Moreover, with the proliferation of Internet of Things (IoT) devices and the expansion of the smart home ecosystem, NVH testing has become indispensable to ensure a seamless and quiet user experience. As consumers become increasingly tech-savvy and discerning, the importance of NVH testing in the consumer electronics sector is expected to grow. The consumer electronics revolution in India is marked by rapid innovation and product diversification. As manufacturers vie to capture market share, NVH testing will continue to be a vital tool to ensure product quality and user satisfaction, thereby driving the NVH Testing market forward.

### **Infrastructure Development and Urbanization**

India's construction and infrastructure development sector is on a significant upswing, driven by rapid urbanization and ambitious government initiatives such as the development of smart cities and the expansion of transportation networks. In this context, NVH testing plays a crucial role in addressing noise and vibration concerns associated with buildings, bridges, and other infrastructure projects. Ensuring structural integrity and occupant comfort is paramount, especially in densely populated urban environments. NVH testing helps identify and mitigate issues related to noise and vibration, contributing to the overall quality and sustainability of infrastructure projects. As India continues to invest in infrastructure development to support its growing population and economic activities, the demand for NVH testing solutions in the construction and infrastructure sector is expected to remain strong. This sector's growth is a significant driver for the NVH Testing market, reflecting the country's commitment to delivering high-quality and sustainable infrastructure solutions.

In all these sectors, the primary purpose of acoustic insulation is to reduce noise levels, enhance comfort, and ensure compliance with regulations and standards. The choice of acoustic insulation materials and techniques depends on specific requirements, noise sources, and desired acoustic performance.

It's worth noting that in the aerospace and defence sectors, acoustic insulation materials used in space satellites and missiles may have specialized characteristics to withstand extreme conditions, including high temperatures, vibrations, and vacuum environments. These materials are designed to offer reliable acoustic protection and ensure the functionality and safety of sensitive equipment in space and missile applications.

Overall, acoustic insulation plays a critical role in improving acoustic comfort, protecting sensitive equipment, and reducing noise pollution in various industries, including aerospace, construction, and transportation.

## **Key Industry Trends**

### **Growing Emphasis on Electric Vehicles (EVs) and Hybrid Technologies**

One prominent trend shaping the Noise, Vibration, and Harshness (NVH) Testing market in India is the increasing emphasis on electric vehicles (EVs) and hybrid technologies. As the world pivots towards sustainable transportation solutions to combat environmental challenges, India is no exception. The Indian government has introduced various policies and incentives to promote the adoption of electric and hybrid vehicles, aiming to reduce emissions and dependence on fossil fuels. For the NVH Testing market, this trend has significant implications. Electric and hybrid vehicles operate differently from traditional internal combustion engine vehicles, producing distinct noise and vibration patterns. NVH testing plays a crucial role in optimizing the acoustic performance of EVs and hybrids to ensure they meet the expectations of consumers for quiet and comfortable driving experiences. With both domestic and international automakers investing in EV and hybrid vehicle production in India, there is a growing demand for NVH testing services and equipment tailored to these specific vehicle types. This trend is expected to continue its upward trajectory as India advances its electrification efforts, making EV-related NVH testing a prominent driver within the market.

### **Integration of Advanced Technologies**

Another significant trend in the NVH Testing market in India is the integration of advanced technologies to enhance testing processes and efficiency. Traditional NVH testing methods often involve physical testing and measurement, which can be time-consuming and resource intensive. However, advancements in technology, such as simulation software, virtual testing, and artificial intelligence (AI)-driven analytics, are revolutionizing the NVH testing landscape. Simulation software allows engineers to create virtual prototypes of products and systems, enabling them to assess noise and vibration characteristics digitally before physical testing. This not only saves time and resources but also facilitates early-stage optimization, reducing the likelihood of costly design changes later in the development process. AI-driven analytics can analyze vast datasets generated during NVH testing more efficiently than manual methods. Machine learning algorithms can identify patterns, correlations, and potential issues, helping engineers make data-driven decisions to improve product performance and reduce noise and vibration. The integration of these advanced technologies is becoming increasingly prevalent in India's NVH Testing market. Companies are investing in software and hardware solutions that leverage these technologies to provide more accurate and cost-effective NVH testing services. This trend not only enhances the competitiveness of NVH testing providers but also contributes to more robust product development processes in various industries.

### **Increasing Focus on Eco-Friendly and Sustainable Solutions**

In alignment with global sustainability goals and environmental concerns, there is a notable trend in India's NVH Testing market towards the development and testing of eco-friendly and sustainable products. This trend encompasses various industries, including automotive, aerospace, consumer electronics, and construction. In the automotive sector, NVH testing is playing a critical role in optimizing the acoustic performance of vehicles to minimize noise pollution and ensure that vehicles meet stringent emission standards. Electric vehicles, which are gaining traction in India, require special attention to their NVH characteristics to ensure they offer a quiet and comfortable driving experience while also contributing to reduced emissions. In the aerospace industry, the focus on sustainable aviation is leading to the development of quieter and more fuel-efficient aircraft. NVH testing is

instrumental in achieving these goals by identifying areas for noise and vibration reduction in aircraft design and operation. Consumer electronics manufacturers are incorporating NVH testing to ensure that their products are energy-efficient and produce minimal noise and vibration, aligning with consumer preferences for sustainable and eco-friendly devices. Additionally, in the construction and infrastructure sector, NVH testing is used to design buildings and bridges that are not only structurally sound but also environmentally responsible, minimizing their impact on the surrounding environment.

### **Recent Developments**

The southern region of India, encompassing states like Tamil Nadu and Karnataka, is poised to undergo significant growth in the India NVH (Noise, Vibration, and Harshness) Testing market, exhibiting the most substantial Compound Annual Growth Rate (CAGR) throughout the forecast period. This region has earned recognition as a major hub for business and industrial activities, with a strong presence of automotive manufacturing clusters, aerospace research centers, and electronics industries. The convergence of these sectors has created a robust demand for NVH testing services as companies increasingly prioritize product quality, user comfort, and regulatory compliance. In Tamil Nadu, cities like Chennai have emerged as vital automotive manufacturing centers, driving the need for NVH testing in the automotive sector. With consumers placing a premium on quieter and more comfortable vehicles, NVH testing has become indispensable in this region's automotive research and development efforts. Karnataka, on the other hand, boasts a significant aerospace industry presence, including research institutions and manufacturing facilities. NVH testing is crucial in this sector to ensure aircraft and aerospace components meet stringent noise and vibration standards, contributing to safer and more comfortable air travel experiences. Additionally, the electronics and IT industry in the southern region further amplifies the demand for NVH testing, especially in consumer electronics and telecommunications equipment. As the region continues to thrive as an industrial and technological powerhouse, its prominence in the India NVH Testing market is set to grow steadily, driven by a diverse range of industries prioritizing enhanced quality and performance.

In December 2022, Marposs, a renowned leader in precision equipment and solutions, unveiled its innovative NVH (Noise, Vibration, and Harshness) Gear Tester, aimed at aiding electric vehicle (EV) manufacturers in achieving silent drivetrains. With the growing popularity of electric vehicles and the heightened emphasis on user comfort and noise reduction, this cutting-edge NVH Gear Tester is a significant development for the automotive industry. This advanced testing solution from Marposs is designed to meticulously assess the noise and vibration characteristics of gears within electric drivetrains. By providing precise and comprehensive data on these critical components, EV manufacturers can identify and rectify any noise or vibration issues, ensuring that their electric vehicles deliver exceptionally quiet and comfortable driving experiences.

### **Market Players and Competition:**

Prominent Companies: Leading players in the Indian acoustic insulation industry include:

- Saint-Gobain India Pvt. Ltd.
- Rockwool India Pvt. Ltd.
- Owens Corning India Pvt. Ltd.
- Armacell India Pvt. Ltd.
- U.P. Twiga Fiberglass Limited

The Indian acoustic insulation industry is poised for growth due to factors such as increasing urbanization, construction activities, stringent noise regulations, and rising awareness of noise pollution. With the construction, industrial, and transportation sectors driving demand, market players are investing in innovative solutions to meet the evolving requirements. Regulatory compliance and sustainability considerations will shape the industry's future, fostering the adoption of advanced acoustic insulation technologies and practices.

## BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read ‘Forward-Looking Statements’ on page 15 for a discussion of the risks and uncertainties related to those statements, and also ‘Risk Factors’, ‘Restated Financial Information’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ on pages 22, 172 and 205, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information for the Financial Years 2021, 2022 and 2023 and nine months ended 31<sup>st</sup> December, 2023, included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus. For further information, see ‘Summary of Financial Information’ on page 45. Our financial year ends on March 31 of each year, and references to a particular year are to the 12 months ended March 31 of that year.

Unless otherwise stated or the context otherwise requires, in relation to business operations, in this section of this Draft Red Herring Prospectus, all references “we”, “us”, “our”, “Envirotech”, “ESL” and “our Company” are to “Envirotech Systems Limited”. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

### OVERVIEW OF OUR BUSINESS

Envirotech Systems Limited is a leading acoustic products manufacturing organization specializing in noise measurement and control for industrial and commercial applications. Incorporated in 2007, we have expanded our capabilities to include innovative acoustical product design and manufacturing. With over 98 employees and a network of technical experts, we offer cost-effective solutions for various acoustical challenges in industrial, commercial, architectural, and environmental markets.

Our comprehensive services encompass research, cost-benefit analysis, and engineering solutions to provide you with the most efficient noise abatement solutions.

#### Manufacturing Facility & Infrastructure

- We have state-of-the-art manufacturing facilities capable of working with carbon steel, stainless steel, and alloy steel, using materials like rock wool, multiple sound dampening & absorbing materials.
- Our facilities include welding, painting, and fabrication areas for large structures and equipment.
- Our skilled workforce and qualified welders ensure sustained production.
- We have technical personnel proficient in various NDT levels.

Envirotech Systems Limited offers its services across India, catering to a diverse range of industrial and commercial clients. While we also export some products, the revenue generated from these exports is not a significant portion of our overall revenue.

Envirotech Systems Limited specializes in manufacturing products tailored to meet customer demands, offering customized solutions for various noise control requirements. Our products are designed and fabricated according to the specific needs of our clients, ensuring optimal performance and efficiency. While we provide our services PAN India, our focus remains on delivering bespoke solutions that align with individual customer requirements. This customer-centric approach has enabled us to establish long-term relationships with our clients, who trust us to deliver high-quality, customized products that meet their unique needs.

We are committed to excellence and customer satisfaction through the use of the latest technology and continuous quality improvement. With a track record of over various successful projects in industries such as Oil & Gas, Manufacturing, Power Generation, Cement & Steel, Automobile, and Construction, ESL continues to expand both domestically and internationally.

To drive innovation and cost-effectiveness, our well-established R&D department employs computer-aided tools and efficient personnel. Our research activities focus on market research, continual product development, and improved product and production technologies.

At Envirotech Systems Limited, we deliver professional and concise solutions for noise control needs.

#### Milestones of the Company

2007	Incorporated as a Private Limited Company
2009	Change in name of the Company from Envirotech Gensets Private Ltd. To Envirotech Systems Private Ltd.

2012	Set up of First Manufacturing Plant in Noida
2018	Expansion of Manufacturing plant in Noida
2022	Converted from Private Limited Company to Public Limited Company

### **OUR LOCATIONS**

Our Registered office, is leased by our Company, however our manufacturing unit and corporate office is owned by us. The detail of our property is as follows:

<b>S. No.</b>	<b>Purpose</b>	<b>Location</b>	<b>Name of Owner / Lessor</b>
1	Registered Office	A-29,Block-A ,Shyam Vihar Phase-I, New Delhi 110043	Mr. Ashok Kumar Shekhawat
2	Manufacturing Unit	Plot No-346-347, Ecotech-1 (Extension), Greater Noida, 201308	Envirotech Systems Ltd.
3	Corporate Office where the Books are accounts of company are being maintained	B-1A/19, Commercial Complex, Sector 51, Noida - 201307	Envirotech Systems Ltd.

### **OUR PRODUCTS**

#### **ACOUSTIC ENCLOSURE**

As a leading supplier of industrial noise control Envirotech Systems Limited offers enclosures for all kind of noise sources:

- Gas turbines
- Steam turbines
- Compressors
- Diesel Generator
- Pumps
- Conveyor
- Fin Press Machine
- Air Compressor
- Forging Machine
- CNC Machine
- Scarfing Machine
- Other Noise Generating Industrial Machines

We specialize in designing and delivering custom acoustic enclosures for noise reduction in machinery and mechanical units, suitable for both indoor and outdoor applications. Our enclosures prioritize stability, longevity, easy assembly, and high acoustic performance. We offer complete solutions, including electrical installations, ventilation systems, and other accessories tailored to your needs.

Envirotech Acoustic Enclosures have a global track record of improving working conditions and environmental protection. Each enclosure is meticulously designed to meet the specific requirements of the enclosed machinery, whether it's a simple panel design or a robust integrated housing. Additional features such as lifting beams, lighting, fire and gas detection, and protection systems are available.

Our enclosures are engineered to ensure optimal airflow for cooling and aspiration, preventing machine overheating. We incorporate weather louvers, acoustic louvers, splitters, and baffles as needed to control noise. Enclosure walls typically consist of 1.6-2 mm thick CRCA steel sheeting on the exterior and perforated GI sheeting filled with laminated rock wool pads on the interior. The use of premium materials such as sound-absorbing panels, acoustic foam, and specialized barriers that ensure durability and effectiveness in noise reduction.

At Envirotech, we provide professional, tailored solutions to meet customers noise reduction requirements. We Emphasize the ability to tailor the enclosure's design, size, and materials to meet the specific needs of different industries and applications, ensuring optimal performance.

We always believe in adherence to industry standards and regulations regarding noise control and safety, ensuring peace of mind for customers concerned about regulatory compliance.



### **NOISE TEST BOOTH**

Our noise test booth serves multiple purposes, primarily aimed at eliminating shop floor noise by isolating the booth with acoustic materials. This isolation prevents external noise from penetrating the enclosure.

#### **Applications:**

- Automotive sector
- Air conditioner manufacturing units
- Refrigeration units
- Manufacturing units for fans, motors, and compressors
- Speaker and sound purity testing, among others

We offer both online and offline noise testing booths designed for precision, accuracy, and advanced technology. These booths effectively control ambient noise, enhancing intensity measurement accuracy by minimizing sound reflections.

#### **Key Features:**

- Reliability: The booth is entirely soundproof, ensuring no noise penetration.
- Performance: The noise test booth consistently delivers optimal performance.
- Noiseless Operation: The booth operates silently.
- Low Maintenance: Minimal maintenance requirements.
- Internal Lighting: Equipped with an integrated lighting system.
- Automatic Door: The acoustic door automatically seals, preventing noise leakage.
- Ventilation System: Designed with acoustically treated air vents to ensure adequate air circulation.

At Envirotech, we provide concise and professional solutions for noise testing needs, enhancing accuracy and efficiency.

## ENGINE TEST ROOM ACOUSTIC

Manufacturers rely on Engine test cells to ensure precise and replicable product testing and development within a controlled acoustic environment.

In the automotive industry, the strategic application of Acoustic Treatment in engine test cells effectively contains excessive noise within the test chamber, preventing disruptions in nearby areas. Our team of acousticians and engineers conducts a comprehensive analysis of engine acoustics to design the Engine Test Cell Acoustics module.

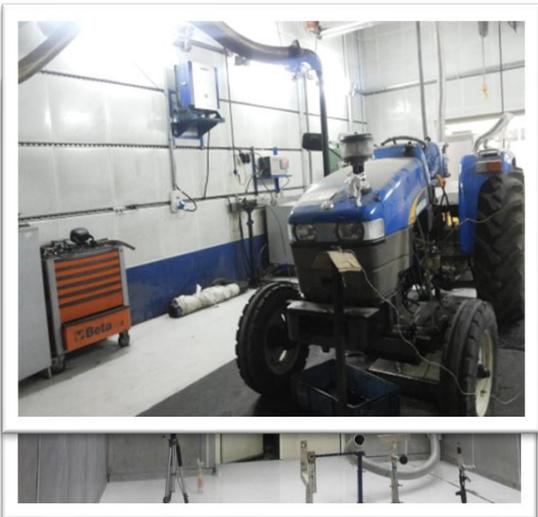
This module includes:

- Acoustic wall linings filled with insulation material.
- Acoustic doors for secure access to the engine test cell.
- Acoustic ducting to facilitate proper air circulation.
- Smoke exhaust pipes.
- Soundproof glass windows for internal viewing of the engine test cell.
- Proper LUX Level inside the booth for testing
- High quality Powder coated surface of color of client's choice
- Customisable accessories like Digital display, Temperature meter, Emergency Alarm, Smoke alarm etc.
- Online as well as offline testing facility with or without use of conveyor system
- Also available with insulated BASE

At Envirotech, we provide concise and professional solutions to enhance the accuracy and efficiency of engine testing processes.

We also Provide evidence of performance through independent testing or certifications, demonstrating the product's effectiveness in reducing noise levels. Our Noise TEST booth's ability to create controlled and consistent testing conditions, ensuring accurate measurements of noise levels and frequencies.

It is our pride to Showcase how the booth effectively reduces external interference and ambient noise, allowing for precise testing and analysis of sound emissions from various sources, with the use of high-quality soundproofing materials, such as acoustic panels, damping compounds, and isolation mounts, to minimize sound leakage and achieve reliable test results.



### **ANECHOIC & SEMI ANECHOIC CHAMBER**

An anechoic chamber, often referred to as an an-echoic or non-echoing chamber, is a purpose-built facility designed to effectively eliminate sound wave reflections. These chambers are also meticulously insulated from external sources of noise. The synergy of these two features creates an environment that simulates a quiet, open space of infinite dimensions. This controlled setting is invaluable in ensuring that external influences do not introduce inaccuracies into experimental results and testing procedures.

Its unparalleled ability to create an environment virtually free from echoes and external interference, making it an essential tool for precise measurements and testing in various industries.

the chamber's capability to absorb virtually all sound reflections, ensuring accurate measurement of sound sources and minimizing interference from external noise. The chamber is designed inhouse and the use of material to absorb Cut-off frequencies and reverberations is based on technical calculations on sophisticated softwares.

Not only the walls and ceiling, but the base is also insulated and contains 'Anechoic Wedges' with a wedge length calculated as per the cut-off frequency requirements.



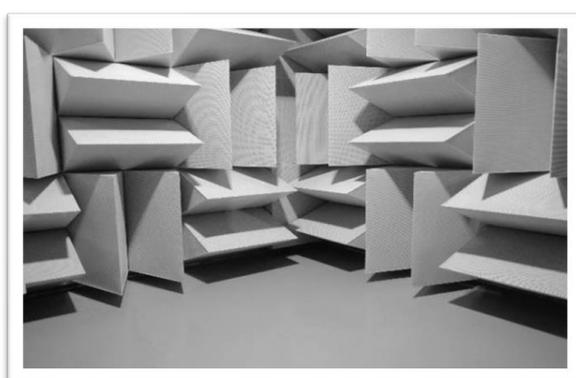
This specialized chamber is designed to replicate free field conditions above a reflective plane. At frequencies above a certain threshold, all incident sound waves on the chamber's walls and ceiling are effectively absorbed.

This type of chamber finds its primary application in vehicle testing, featuring a rolling road system that enables the testing of vehicles under realistic driving conditions. Such chambers are meticulously engineered to ensure precise acoustic conditions for comprehensive vehicle testing and analysis.

Envirotech has an ability to tailor the chamber's size, shape, and features to meet the specific needs of different applications and industries, ensuring optimal performance and versatility.

At Envirotech, a Semi Anechoic Chamber can be designed with superior performance and required background noise levels as per client's choice.

Envirotech has the capability to produce PU foam based as well as Perforated METAL based Anechoic Wedges.



### **ENVIROTECH NOISE BARRIERS**

We provide a comprehensive service encompassing design, delivery, and installation, which can include structural steelwork when necessary. Our trained personnel are capable of erecting noise barriers, or alternatively, other contractors or end-users can install them, preferably under the supervision of an ESL engineer.

Our manufactured Noise barrier have the capability to significantly reduce noise levels from highways, railways, industrial facilities, or other sources, providing relief to nearby residents and businesses.

Envirotech offers various types of Noise Barriers tailored to your needs:

- Polycarbonate Noise Barrier
- Metallic Noise Barrier
- Echo Barrier

These noise barriers are suitable for a wide range of applications, including:

- Mechanical Plants
- Roads, Metro & Railways
- Airport Boundaries
- Generators, Compressors, and Chillers
- Construction Sites
- Oil & Gas Facilities
- Refurbishments
- Maintenance Activities
- Outdoor & Indoor Events
- Temporary Noise Barriers for equipment operating in open environments
- Other areas such as hospitals, schools, and airports

The ability to customize the barrier's design, height, materials, and aesthetics to suit specific project requirements and blend seamlessly with the surrounding environment.

Our barriers have an ease of installation with minimal disruption to existing infrastructure or activities, reducing project timelines and costs while ensuring timely noise mitigation solutions.

#### **POLYCARBONATE NOISE BARRIER**

These barriers are constructed using MS/Galvanized steel beams as horizontal and vertical posts, featuring specially designed aluminum pressure pads with rubber gaskets to securely hold polycarbonate sheets in place. Standard Polycarbonate Noise Barriers are designed to achieve sound transmission class (STC) ratings ranging from 22 to 36, a result that has been confirmed through laboratory testing. Additionally, all Polycarbonate sheets come with UV coatings and warranties of up to 10 years for long-lasting performance.



#### **Specifically, a Polycarbonate Noise barrier also has the following advantages :**

1. **Impact Resistance:** Polycarbonate's superior impact resistance compared to other transparent materials like glass, making it ideal for applications where safety and durability are paramount.
2. **Lightweight:** Polycarbonate's lightweight nature offers ease of handling, transportation, and installation compared to heavier materials like metal, reducing overall project costs and labor requirements.

3. **Weather Resistance:** Polycarbonate's ability to withstand harsh environmental conditions, including extreme temperatures, UV radiation, and chemical exposure, making it suitable for outdoor applications
4. **Durability:** Polycarbonate's long-term durability and resistance to degradation, including yellowing, scratching, and chemical corrosion, ensuring a low-maintenance and cost-effective solution over the product's lifespan.

### **METALLIC NOISE BARRIER**

Metallic noise barrier which comprise the great majority of noise barriers are generally located at the edge of the road to reflect traffic noise. Some noise is transmitted through the barrier, but is slightly less intense than the noise level on the other side of the barrier. The height of these barriers is usually greater than other types. Often traffic noise levels increase for vehicle occupant.

Envirotech Metallic Noise barriers are primarily used in reducing noise pollution from highways, railways, industrial facilities, and other sources.

Metallic barriers can effectively block and reflect / absorb sound waves, providing significant noise reduction for nearby residents and businesses.

Envirotech has the capability to product both- Absorptive as well as Reflective Metallic noise barriers.

The product can be customized as per requirement of the client.



### **ECHO BARRIER**

The Echo Barrier is a portable acoustic barrier engineered to deliver exceptional noise reduction and absorption, even in the most challenging environments. It boasts durability, lightness, and resilience, with resistance to water, fire, UV rays, and temperature fluctuations.

#### **Key Benefits:**

- **Lightweight:** Weighing in at just 5.5 kg, it's easy to handle and transport.
- **Safety:** It contains no hazardous materials and can be equipped with reflector strips for visibility in low-light conditions.
- **Weather Resistant:** Does not absorb water, even during heavy rain or when jet-washed.
- **Durable Construction:** Features a rugged PVC exterior and heavy-duty eyelets/grommets, ensuring longevity and performance in tough conditions.

Envirotech is an exclusive distributor for the Echo Barrier H9™ for India, Sri Lanka and Bangladesh, setting a new standard for portable acoustic barriers.

### **ACOUSTIC LOUVERS**

ESL Acoustic Louvers are intelligently designed sound baffles that enable airflow through ventilation openings while effectively reducing noise radiation. These louvers are commonly used in conjunction with machinery enclosures, sound barrier walls, and sound control rooms to facilitate silent airflow. They leverage high-quality acoustic-grade glass fiber as the primary sound-absorption mechanism.

#### **Key Features:**

- **Aerodynamic Design:** These louvers are aerodynamically shaped to minimize pressure drop during operation.
- **Weather Protection:** The splitters are equipped with protective lips to shield against adverse weather conditions.
- **Versatile Applications:** ESL Acoustic Louvers are ideal for various machine sound enclosures, including compressors, generators, backup generators, and well pumps, ensuring silenced ventilation.

Our acoustic screens and enclosures effectively address a wide range of environmental noise pollution challenges stemming from mechanical plants and systems, including:

- Chillers
- Motors
- Compressors
- Pumps
- Rooftop plant rooms

ESL's Acoustic Louvers provide a comprehensive solution for noise control and ventilation requirements in various industrial and commercial settings.



### **ENVIROTECH METAL DOORS**

We offer a diverse range of fire-retardant, fireproof, and fire-check metal doors and frames tailored precisely to meet our customers' specifications. Our commitment to employing the most advanced techniques, precise measurement, and cutting equipment ensures the highest quality.

Our metal doors and frames are not only robust and fire-resistant but also feature elegant designs that complement various architectural styles.

#### **Key Features:**

- **Fire Ratings:** Our hinged type single-leaf doors are available with 1-hour (60 minutes) and 2-hour (120 minutes) fire ratings, providing enhanced fire protection.
- **Fully Insulated:** These steel composite lightweight single-swing asbestos fire doors are fully insulated to meet stringent safety standards.
- **Compliance:** Our doors adhere to industry standards, including BS:476 Part 22 and IS:3614 Part 2, and achieve 1- and 2-hour fire ratings for stability and integrity.
- **The product is also Certified by GRIHA V.2019 criterion: 11, GRIHA V.2015 criterion: 11 & GRIHA V. 3.1 criterion: 29**
- **Construction:** The steel composite fire doors feature a welded box section insulated frame and fully insulated shutters. The shutters are faced with galvanized corrugated sheets, each with a thickness of 1.2 mm on both sides.

- Besides METAL doors, Envirotech is also equipped with facilities to produce WOODEN Acoustic / Wooden FIRE and also Wooden Acoustic FIRE doors.
- Doors are also tested for STC levels from CSIR – NPL IS:9901(PART III)-1981, DIN: 52210, PART VI-1989 ISO: 10140 (PART I): 2016
- The product is also Certified by GRIHA V.2019 criterion: 11, GRIHA V.2015 criterion: 11 & GRIHA V. 3.1 criterion: 29
- Anti-Corrosive Finish: All steel components are treated with an anti-corrosive primer to ensure lasting durability and resistance to environmental factors.



<b>OUR REVENUE BREAKUP</b>				<b>(Amount in Lakhs)</b>
<b>S. No.</b>	<b>Financial Year</b>	<b>Domestic Revenue</b>	<b>port Revenue/ Deemed Export</b>	<b>Total Amount</b>
	20-2021	935.34	5.92	941.56
	21-2022	1574.64	177.16	1751.81
	22-2023	2620.10	95.40	2715.50
	April-December 2023	2957.59	18.94	2976.53

#### **BUSINESS VERTICALS FROM WHICH COMPANY DERIVES ITS REVENUE**

We have only one business verticals form we derives 100% revenues which is Manufacturing and installation of acoustic isolations products.

#### **MANUFACTURING PROCESS**

Certainly, here's a more professional elaboration of the steps involved in the manufacturing process, incorporating industry-standard terminology and practices:

##### **1. Design for Manufacturability (DFM):**

- Utilize sophisticated software like 3D modelling, AutoCAD and NSYS to precisely model and unfold parts, ensuring optimal manufacturability.

- Proactively identify and rectify potential manufacturing challenges during the design stage to streamline production processes and minimize costs.

##### **2. Raw Material Procurement and Arrangement:**

- Efficiently arrange raw materials for ease of access and utilization in the manufacturing process, adhering to inventory management best practices.

- Separate departments to cater regular raw material and BRMP (Bulk raw material purchase)

##### **3. Blanking:**

- Cut appropriately sized workpieces from larger sheets or coils using precision shearing techniques, maintaining dimensional accuracy and minimizing material wastage.

##### **4. Marking:**

- Implement marking processes to create component patterns on sheet metal prior to bending and notching, facilitating precise fabrication and assembly.

- Marking done as per the details obtained from the approved drawing made so that the dimensions remain under controlled.

**5. Notching:**

- Employ precision notching techniques to remove excess material from sheet metal at bending corners, ensuring clean bends and preventing overlapping.

**6. Bending:**

- Utilize brake presses and specialized machinery to accurately shape sheet metal according to design specifications, achieving consistent bends and angles with high precision.

**7. Welding and Reinforcement:**

- Employ skilled welding techniques to join materials, incorporating stiffeners, plates, angles, and other reinforcements as necessary to enhance structural integrity and durability.

**8. Grinding and Surface Finishing:**

- Implement grinding processes to remove surface roughness from workpieces, achieving superior surface quality and dimensional accuracy for optimal performance and aesthetics.
- Use of appropriate grinding tools, keeping in mind the life cycle of the tool to produce required quality.

**9. First-Time Assembly:**

- Conduct initial assembly operations to confirm overall dimensions and make necessary cutouts and ventilations, ensuring alignment with design requirements prior to further processing.

**10. Surface Preparation:**

- Thoroughly clean surfaces using alkaline-based solvents, remove rust with power tools, and apply iron phosphate chemicals to prepare components for powder coating, ensuring proper adhesion and corrosion resistance.

**11. Powder Coating:**

- Apply electrostatically charged powder coatings that melt and form durable protective layers when heated, providing superior finish and corrosion protection compared to traditional paint finishes.
- The facility stocks almost every color in order to cater any kind of a requirement.

**12. Acoustic Insulation Installation:**

- Integrate acoustic insulation materials such as mineral wool, rock wool, or fiberglass into components, encapsulating them with fiber tissue paper/cloth and securing with rivets or screws to enhance soundproofing properties.
- The use of fibre panels is done along with noise barrier sheets if required / if mentioned in the specifications.

**13. Customer Inspection Assembly:**

- Conduct assembly operations only if customer inspection is required, ensuring compliance with specific customer requirements and quality standards.

**14. Rigorous Inspection:**

- Implement rigorous inspection procedures at every stage of the manufacturing process, utilizing advanced instruments and techniques to verify compliance with drawings, specifications, and quality standards, ensuring the highest level of product quality and reliability.

## MANUFACTURING PROCESS-FLOW CHART



## KEY PERFORMANCE INDICATORS OF OUR COMPANY

Key Financial Performance	Period ended 31-12-2023	FY ended 31-03-2023	FY ended 31-03-2022	FY ended 31-03-2021
Revenue from operations(1)	3070.56	2831.78	1810.65	981.23
EBITDA(2)	1191.11	405.72	196.48	145.59
EBITDA Margin(3)	38.79%	14.33%	10.85%	14.84%
PAT	840.42	257.34	105.73	69.70
PAT Margin(4)	27.37%	9.09%	5.84%	7.10%
Net worth(5)	1502.15	661.73	404.40	298.67
RoE %(6)	55.95%	38.89%	26.14%	23.34%
RoCE% (7)	65.01%	29.77%	27.39%	24.16%

### Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expense - Other Income
- (3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- (4) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
- (5) Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company less deferred tax assets.
- (6) Return on Equity is ratio of Profit after Tax and Shareholder Equity
- (7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term borrowings.

### Explanations for KPI Metrics

KPI	Explanation
Revenue from Operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business in key verticals
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE%	RoE provides how efficiently our Company generates profits from Shareholders' Funds
RoCE%	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

## **OUR COMPETITIVE STRENGTHS**

### **Experienced Promote and Management Team**

Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our promoters with their knowledge and experience as well as assisted by our Key Managerial Persons who have helped us to have long term relations with our customers. Further, they have also facilitated us to entrench with new customers. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

Our Company is managed by a team of industry specialists in markets. The team comprises of personnel having technical, operational, and business development experience in the industry. We believe that our management team's experience and their understanding of the industry, regulatory affairs, manufacturing, quality control, sales, marketing, and finance will enable us to continue to take advantage of both current and future market opportunities.

We believe our Promoters and Management's overall experience and vision will enable us to manage and grow our business in the existing markets and to enter new geographies with our competitive advantage.

### **Integrated manufacturing facility**

We do continuous endeavor to maintain the requisite infrastructure and technological upgradation for the smooth running of the manufacturing process as well as to cope up with the changing market demand situation. There is a continuous change in the technology and the markets are very dynamic to the change in technology. We keep ourselves technologically upgraded with the latest machines and infrastructure.

### **Well-developed distribution network**

Our company has developed and implemented a wide range of networking channels throughout the industry and society to strengthen the scope of identifying core customer base and designing right marketing strategies for procurement and liaising of projects to deliver customized solutions for clients. Our distribution and marketing network ensures our product availability to our customers translating into efficient supply chain, focused customer service and short turnaround times for product delivery.

### **Quality Assurance and Control**

Quality control through trained inspectors with respect to quality and final delivery. Our Company has excellent record of providing quality services which makes our Company unique from our competitors.

## **OUR BUSINESS STRATEGY**

We envisage long term growth by building long term relations with customers. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing projects with specific emphasis on the following factors as business and growth strategy:

### **Leveraging our Market skills and Relationships**

Our Company believes that our business is a by-product of relationships. This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

### **Improving functional efficiencies**

Our Company intends to improve functional efficiencies to achieve cost reductions to have a competitive edge over the peers. Our employees are regularly motivated to increase efficiency with error free exercise. We believe that this can be done through continuous process improvements. Further we believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure.

### **Enhance customer base and to establish long-term relationships**

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to

reach out to a larger population. Further our company believes in maintaining long term relationship with our customers in terms of increased sales. We aim to achieve this by value adding value to our customers through innovation, quality assurance and timely delivery of our products.

**To build-up a professional organization**

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

**Expand geographical reach**

We intend to expand our presence by identifying markets where we can provide cost-effective and quality products to prospective customers. Further, we seek to capitalize on our existing experience, established contacts with customers and manufactures.

**Strengthening up our business through effective branding, promotional and digital activities**

We seek to increase our brand awareness through outdoor media; marketing initiatives, new product lines and brand extensions, effective online marketing strategies. Brand reputation is considered the top criteria in decision-making, with word of mouth, feedback from customers plays a crucial role. Our marketing and advertising initiatives are directed to increase brand awareness to cater to new customers. We plan to effectively utilize our website, social networking sites and other online platforms of communication to build consumer knowledge of our brands.

**Achieving Operational Efficiencies:**

Our company aims to achieve operational efficiencies through cost reduction. We believe that this could be done through economies of scale and further increasing our areas of operations. We continue to invest in latest technology to ensure operational and management efficiencies, and to standard to quality.\

**SWOT Analysis:**

Strengths	Weakness
<ul style="list-style-type: none"> <li>• Our early entry into the Acoustic Insulation sector has provided us with a distinct competitive advantage.</li> <li>• Our promoter possesses over two decades of valuable experience in the industry, contributing to our in-depth understanding of market dynamics.</li> <li>• Our accomplished technical team boasts a wealth of project execution experience, ensuring proficient project delivery across a diverse spectrum.</li> <li>• We maintain a strong commitment to R&amp;D and continuous product development, enabling us to stay at the forefront of innovation.</li> <li>• We have established strategic partnerships with industry experts, enhancing our technical acumen and market insights.</li> <li>• All our product ranges undergo rigorous testing and receive certifications from prominent government agencies, affirming</li> </ul>	<ul style="list-style-type: none"> <li>• Our growth potential is constrained by capital limitations, hindering our ability to expand at an optimal pace.</li> <li>• We currently lack a nationwide physical presence, which limits our market reach.</li> <li>• Our infrastructure may pose limitations in handling very large quantities or executing high-value projects.</li> </ul>

<p>their quality and reliability.</p> <ul style="list-style-type: none"> <li>• Our extensive customer database spans various segments, underscoring our strong market presence and customer trust.</li> <li>• Our highly qualified and experienced team excels in comprehending customer requirements and delivering customized solutions.</li> </ul>	
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• The increasing awareness of noise pollution is expanding the market size for acoustic insulation products.</li> <li>• The government's focus on infrastructure projects is driving a heightened demand for various forms of acoustic insulation products.</li> <li>• The acoustic insulation industry is undergoing a significant shift from unorganized to organized players, driven by superior product quality, customization, and economic formalization.</li> </ul>	<ul style="list-style-type: none"> <li>• Inexperienced local competitors may engage in price undercutting, posing a threat to market stability.</li> <li>• Any factors that impede India's infrastructure development will impact the demand for our products.</li> <li>• Adverse macroeconomic events such as recessions, pandemics, or economic slowdowns can temporarily disrupt our operations and market stability.</li> </ul>

#### **HUMAN RESOURCE**

Human resource is the key element for our Company's growth strategy and handling the day-to-day activities within the organization. We focus on attracting and retaining the best possible talent. Our team is a blend of experienced professional with expertise our industry. Our Company does not have any Employee Unions. As on date of this Draft Red Herring Prospectus, we have 98 Employees in our Company. We have not experienced any material strikes, work stoppages, labor disputes or actions by or with our employees and we consider our relationship with our employees to be good. All the employees who are employed in their respective departments work with integrity to make sure the operation the company are fulfilled and the targets the company has set are achieved.

<b>Department</b>	<b>Nos of Employees</b>
Admin Staff	2
Marketing and Sales	8
Accounts and finance	5
Designing and Engineering	6
Manufacturing	47
Site installation Team	30
<b>Total</b>	<b>98</b>

#### **COMPETITION**

We operate in a very niche industry in which there are very few organised players due to strong requirement of technical know-how and high capital requirement both in terms of setting up manufacturing facility and also working capital requirements. This industry's growth is dependent on Infrastructure development which are in turn regulated by Government policies.

## **QUALITY ASSURANCE**

Quality assurance for us is paramount. We adhere to strict quality control processes and standards, ensuring every product meets the quality and safety standards. Our facilities are equipped for rigorous testing and inspections, and we hold various certifications that underline our commitment to quality.

Ensuring rigorous quality control is paramount to our operations. We hold certifications in ISO 14001:2015, ISO 45001:2018, and ISO 9001:2015, underscoring our commitment to excellence across occupational health and safety, and quality management systems. Our distinction lies in supplying products renowned for their quality, trusted in critical defence applications such as fighter aircraft and helicopters. We take pride in consistently delivering these high-calibre products to our valued customers.

## **HEALTH AND SAFETY MEASURES FOR EMPLOYEES**

We are ISO 14001:2015, ISO 45001:2018, and ISO 9001:2015, underscoring our commitment to occupational health and safety for our employees and that of our products.

## **APPROACH TO MARKETING OF PRODUCTS AND SERVICES**

Online digital marketing through google ad words, linkedin postings, email campaigns. Liasoning with architects, contractors, Government institutions, etc.

## **COLLABORATIONS**

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing the Draft Red Herring Prospectus.

### **Infrastructure Facilities**

Our Manufacturing is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

#### **Power**

We have arrangements for regular power supply at our Factory, Registered and Corporate office. This power is being supplied to us from BSES Rajdhani Power Limited in our Registered Office.

#### **Water**

Our registered office and factory have adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premises.

## **IMPORTS-EXPORTS AND IMPORT-EXPORT OBLIGATIONS**

There are no Import- Export obligations as on date of filing this Draft Red Herring Prospectus.

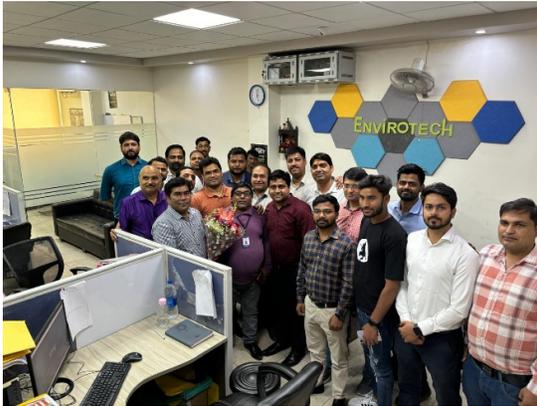
## **OUR MANUFACTURING UNIT**

Our manufacturing unit is situated in Greater Noida, Uttar Pradesh. The manufacturing facility has a total covered area of over 21520 Sq. Ft. It has self-contained workshop sheds & office area, each of these are fully equipped with a wide range of plant and machinery.

**PHOTOS OF MANUFACTURING UNIT**



**PHOTOS OF CORPORATE OFFICE**



**LIST OF MACHINERY AT MANUFACTURING UNIT**

Particulars	Numbers
CNC Hydraulic Press Brake EHP 100 X 3100	01
CNC Hydraulic Shearing Machine GS- 3106	01

Mechanical Shearing Machine 2500 X 8mm	01
Hydraulic Press Brake HACO Make	01
Air Compressors- Ingersoll Rand	06
MIG Welding Machine	30
Argon Welding Machine	04
EOT (7.5 Ton)	01
Professional Line Laser	02
Gas Cutting Sets	04
DG Set	04
Drilling Machine	40
Grinding Machine	40
POP Riveting Machine	35
ARC Welding Machine	08
Powder Coating Oven	01
Weighing Machine	02
Profile Cutting Machine	01
Chop Saw	06
Jig Saw Machine	06

#### MEASURING AND TESTING FACILITY

Vernier Callipers	10
Micro Meter	07
Sound Level Meter	08
Fillet Gauges	06
Measuring tape	30
Dial Gauge	05
Anemometer	04
Vibration Meter	02

#### INSURANCE POLICIES

SNo.	Type of Policy	Sum Assured	Insurance Company	Policy No.	Valid from & Valid till
1	Burglary Policy	7,20,00,000	Cholamandalam Ms General Insurance Company Limited	2948/013738 59/000/00	April 16 <sup>th</sup> ,2024 to April 15 <sup>th</sup> ,2025
2	Fire Policy	9,20,00,000	Cholamandalam Ms General Insurance Company Limited	2162/015061 13/000/00	April 16 <sup>th</sup> ,2024 to April 15 <sup>th</sup> ,2025

#### INTELLECTUAL PROPERTY

Intellectual Property: Set forth below are the trademarks registered/abandoned/objected in the name of our Company under the Trademarks Act, 1999: -

Sr. No.	Brand Name/ Logo Trademark	Class	Nature of Trademark	Applicant	Application No. & Date	Status
1.		9	Logo	Envirotech Systems Private Limited	2811933 October 23 <sup>rd</sup> , 2023	Approved
2.	ENVIROTECH	7	WORD	Envirotech Systems Limited	5612732 August 24, 2023	Accepted Adverti

						sed
3.	Envirotech	17	Wordmark	Envirotech Systems Limited	5612733, September 16, 2022	Objected
4.	Envirotech	6	Wordmark	Envirotech Systems Limited	5612731, September 16, 2022	Objected

### CERTIFICATIONS

Set forth below are the certifications obtained in the name of our Company under the Quality certification:

S.NO.	Certification	Standard	Owner	Certificate No.
1.	ISO	ISO 14001:2015	Envirotech Systems Limited	2023/ESL/T1051020084K/799820
2.	ISO	ISO 45001:2018	Envirotech Systems Limited	2022/ESL/CC/799821
3.	ISO	ISO 9001:2015	Envirotech Systems Limited	2023/ESL/T1051020083K/799819

The Details of Domain Name registered on the name of the Company is: -

S.No	Domain Name and ID	Sponsoring Registrar Name	Bought On	Last Renewal Date	Validity from last renewal
1.	envirotechbarrier.com	Godaddy	09-05-2023	09-05-2023	2 Years
2.	acousticalworld.com		23-10-2019	09-05-2023	2 Years
3.	enviropartitions.com		09-05-2023	09-05-2023	2 Years
4.	envirotechdoors.com		17-06-2021	09-05-2023	2 Years
5.	esplonline.com		16-10-2019	09-05-2023	2 Years
6.	envirobarrier.in		12-07-2013	09-05-2023	2 Years
7.	envirogroup.in		12-07-2013	09-05-2023	2 Years
8.	envirotechpartitions.com		09-05-2023	09-05-2023	1 Years
9.	esltd.in		28-10-2018	23-07-2022	3 Years
10.	EnvioTech-systems.com		17-03-2021	09-09-2022	2 Years
11.	envirotechonline.in		11-09-2021	09-09-2022	2 Years
12.	envirotechacoustics.com		20-06-2013	24-05-2022	3 Years
13.	envirotechltd.com		28-07-2018	24-05-2022	3 Years
14.	envirotech-rfsolutions.com		01-05-2014	25-04-2022	2 Years

**IMMOVABLE PROPERTY**

Details of our properties are as follows: -

Properties owned/ Leased by the Company

S. No.	Location	State	Owner	Description	Status	Tenure
1.	A-29,Block-A Shyam Vihar Phase-I, New Delhi 110043	New Delhi	Preeta Shekhawat	Registered Office	Rent Agreement	Till October 31 <sup>st</sup> , 2024
2	B-1A/19, First Floor, Commercial Complex, Sector 51, Noida – 201307	Noida, Uttar Pradesh	Envirotech Systems Limited	Corporate Office	Owned	-
3.	Property No.-346-347, Block-Ecotech Extension, Sector-Ecotech-1, 201308	Noida, Uttar Pradesh	Envirotech Systems Limited	Factory	Owned	-
4.	Industrial Unit No. 345, Block-Ecotech Extension, Sector-Ecotech-1	Greater Noida, Uttar Pradesh	Envirotech Systems Private Limited	Leased	Owned	-
5.	Industrial Plot No.-12, Block – Mahila Udyami Park-II, Sector- Ecotech III	Greater Noida, Uttar Pradesh	Envirotech Systems Private Limited	Leased	Owned	-

## HISTORY AND CORPORATE STRUCTURE

### COMPANY'S BACKGROUND

Our Company was originally incorporated as “Envirotech Gensets Private Limited” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 09, 2007, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on June 01, 2009, the name of our Company was changed to “Envirotech Systems Private Limited” and a fresh certificate of incorporation dated June 10, 2009 was issued to our Company by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on May 04, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to “Envirotech Systems Limited” and a fresh certificate of incorporation dated June 03rd, 2022 was issued to our Company by the Registrar of Companies, NCT of Delhi and Haryana. The Corporate Identification Number of our Company is U31101DL2007PLC159075.

Promoters of our company are Mr. Manoj Kumar Gupta and Mrs. Sindhu Gupta. They were also subscribers to the memorandum. Mr. Manoj Kumar Gupta has experience of more than 20 years in Acoustic insulation industry. Driven by the passion for building customized solutions for diverse Acoustic insulation requirements and backed by their experience, our Promoters have been the pillars of our Company's growth and have built a strong value system for our Company. With their enriching experience and progressive thinking, we aim to continue to grow in Acoustic Insulation industry.

Our Company is engaged in the business of customized Acoustic insulation solutions for various industries like infrastructure, automobiles, aerospace, renewable energy, cement, etc. The core idea of Envirotech to work in the space of customized Acoustic insulation solutions.

### REGISTERED OFFICE

Registered Office of the Company is presently situated at Office No. A-29, Block-A, Shyam Vihar Phase-I, New Delhi 110043, India. The Registered office of our Company has been changed since incorporation, details of which are given hereunder.

Date of Change of Registered office	Registered Office	Reason
Incorporation	1180, G.D. Colony, Mayur Vihar Phase-III, Delhi - 110096, India	Not Applicable
	<b>Changed from</b>	<b>Changed to</b>
July 01, 2011	1180, G.D. Colony, Mayur Vihar se-III, Delhi - 110096, India	A-29, Block-A, Shyam Vihar Phase-I, New Delhi 110043, India Administrative Convenience

### **AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MOA)**

Since incorporation, the following amendments have been made to the MoA:

Date of Shareholder's Resolution	Clause	Particulars
June 01, 2009	Name Clause	Name of the company was changed from “Envirotech Gensets Private Limited” to “Envirotech Systems Private Limited”.
June 01, 2009	Object Clause	Addition of item 4 to clause III under Main Objects clause: 4. To carry on business of repairing, assembling and taking Annual maintenance contracts of noise free /pollution free treatment system for generator sets as well as automobiles sector etc.

March 19 <sup>th</sup> , 2012	Capital Clause	Increase in authorized equity share capital from ₹10,00,000/- (Rupees Ten Lacs) divided into 1,00,000 (One Lacs) Equity Shares of ₹10/- each to ₹20,00,000/- (Rupees Twenty Lacs) divided into 2,00,000 (Two Lacs) Equity Shares of ₹10/- each
March 19 <sup>th</sup> , 2012	Object Clause	Existing Clause III(A)(1), III(A)(2), III(A)(3), III (A)(4) and III(A)(5) of the Memorandum of Association of the Company as to Main Objects of the Company were deleted and replaced by: <ol style="list-style-type: none"> <li>1. To carry on the business of Manufacturing of Acoustic Enclosures for Generator, Compressors, Turbines, all type of Noise Generating Machines, Sound Proofing and Acoustical products.</li> <li>2. To carry on the business of Manufacturing of Noise Test Booth, Anechoic Chambers, Acoustic Studio Booths, Audiometric Booth , Acoustic Panels, Acoustic Partitions, Acoustic Doors &amp; Windows, Acoustic Louvers, Acoustic Foam , Acoustic Curtains etc.</li> <li>3. To carry on the Business of Manufacturing &amp; Trading of Commercial Acoustics &amp; Noise Control, Acoustic Wall Panels, Acoustic Wooden Tiles, Acoustic Baffles, Noise Barrier etc.</li> <li>4. To carry on the business of Turnkey projects &amp; Service provider for Industrial Noise control &amp; Commercial Acoustics.</li> </ol> <p>To carry on the Business of Design, Manufacturing, Installation &amp; Commissioning, Repairing &amp; AMC of Noise Control Products, Acoustical Equipments &amp; Projects.</p>
March 30 <sup>th</sup> , 2012	Capital Clause	Increase in authorized equity share capital from ₹20,00,000/- (Rupees Twenty Lacs) divided into 2,00,000 (Two Lacs) Equity Shares of ₹10/- each to ₹50,00,000/- (Rupees Fifty Lacs) divided into 5,00,000 (Five Lacs) Equity Shares of ₹10/- each
December 24 <sup>th</sup> , 2014	Object Clause	Addition to main objects of Company: To carry on the business as buyers, sellers, traders, dealers, distributors, importers, exporters, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockiest, agents, sub-agents, commission, merchants, brokers, consignors or otherwise deal in all types of dry fruits & Spices, frozen fruits, nankeens, edible and non- edible oils and oils seeds."
September 13 <sup>th</sup> , 2021	Capital Clause	Increase in authorized equity share capital from to ₹50,00,000/- (Rupees Fifty Lacs) divided into 5,00,000 (Five Lacs) Equity Shares of ₹10/- each to ₹5,00,00,000/- (Rupees Five crore) divided into 50,00,000 (Fifty Lacs) Equity Shares of ₹10/- each
May 04 <sup>th</sup> , 2022	Name Clause	Company was converted from a private limited company to a public limited company i.e. name was change from "Envirotech Systems Private Limited to Envirotech Systems Limited"
January 15 <sup>th</sup> , 2024	Capital Clause	Increase in authorized equity capital from ₹5,00,00,000/- (Rupees Five crore) divided into 50,00,000 (Fifty Lacs) Equity Shares of ₹10/- each to ₹20,00,00,000/- (Rupees Twenty crore) divided into 2,00,00,000 (Two crore) Equity Shares of ₹10/- each
March 24 <sup>th</sup> , 2024	Object Clause	Deletion from Main objects of the Company: To carry on the business as buyers, sellers, traders, dealers, distributors, importers, exporters, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockiest, agents, sub-agents, commission, merchants, brokers, consignors or otherwise deal in all types of dry fruits & Spices, frozen fruits, nankeens, edible and non- edible oils and oils seeds."

### **CORPORATE OFFICE OF THE COMPANY WHERE BOOK OF ACCOUNTS ARE BEING MAINTAINED**

With effect from April 11th, 2024, the books of accounts of the company are being maintained at corporate address of the company i.e. B1A, 19, 1st Floor, Commercial Complex, Sector – 51, Noida, Uttar Pradesh, India - 201301

### **KEY AWARDS, CERTIFICATIONS, ACCREDITATIONS AND RECOGNITIONS**

Except as mentioned below, there are no other key awards, certifications, accreditations or recognitions availed by the Company:

S. No.	Year	Certifications
1	2020	ISO 9001:2015 Quality Management System for the scope of Manufacturing and Supply of Acoustic Enclosures , Sound Testing Chambers ,Noise Barriers , Acoustic / Fire Doors Acoustic & Noise Control Products
2	2020	ISO 14001:2015 Environmental Management System for the scope of Manufacturing and Supply of Acoustic Enclosures , Sound Testing Chambers ,Noise Barriers , Acoustic / Fire Doors Acoustic & Noise Control Products
3	2022	ISO 45001:2018 Occupational Health & Safety for the scope of Manufacturing and Supply of Acoustic Enclosures , Sound Testing Chambers ,Noise Barriers , Acoustic / Fire Doors Acoustic & Noise Control Products

### **NAME CLAUSE**

The following changes have been made in Name Clause of our company since its inception:

Date of Event	Particulars	Reason
On Incorporation June 1 <sup>st</sup> , 2009	Envirotech Gensets Private Limited	Not Applicable
June 1 <sup>st</sup> , 2009	The name of our Company changed from “ <i>Envirotech Gensets Private Limited</i> ” to “ <i>Envirotech Systems Private Limited</i> ”.	Considering the current scenario and future planning
May 4 <sup>th</sup> , 2022	The name of our Company changed from “ <i>Envirotech Systems Private Limited</i> ” to “ <i>Envirotech Systems Limited</i> ”.	Conversion from Private to Public Company

### **OBJECT CLAUSE**

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business of Manufacturing of Acoustic Enclosures for Generator, Compressors, Turbines, all type of Noise Generating Machines, Sound Proofing and Acoustical products.
2. To carry on the business of Manufacturing of Noise Test Booth , Anechoic Chambers, Acoustic Studio Booths, Audiometric Booth , Acoustic Panels, Acoustic Partitions, Acoustic Doors & Windows, Acoustic Louvers, Acoustic Foam , Acoustic Curtains etc.
3. To carry on the Business of Manufacturing & Trading of Commercial Acoustics & Noise Control, Acoustic Wall Panels, Acoustic Wooden Tiles, Acoustic Baffles, Noise Barrier etc.
4. To carry on the business of Turnkey projects & Service provider for Industrial Noise control & Commercial Acoustics.
5. To carry on the Business of Design, Manufacturing, Installation & Commissioning, Repairing & AMC of Noise Control Products, Acoustical Equipments & Projects.

## **Major Events**

There are no major events in the company since its incorporation except as mentioned below:

<b>Year</b>	<b>Key Events / Milestone / Achievement</b>
2007	Incorporation of our Company
2009	Change in name of our Company from 'Envirotech Gensets Private Limited' to 'Envirotech Systems Private Limited'
2022	Conversion of our company from Private Limited to Public Limited

### **OTHER DETAILS REGARDING OUR COMPANY**

For information on our manufacturing activities, services, growth, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections / chapters titled "*Business Overview*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Result of Operations*" beginning on Page Nos. 119, 101 and 205, respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections / chapters titled "*Our Management*" and "*Capital Structure*" beginning on Page Nos. 151 and 63, respectively of this Draft Red Herring Prospectus.

### **ACQUISITION OF BUSINESS/UNDERTAKINGS & AMALGAMATION**

There has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

### **RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT**

For details regarding our capital raising activities through equity or debt, please refer the section / chapter titled "*Capital Structure*" and "*Restated Financial Statement*" beginning on Page Nos. 63 and 172, respectively of this Draft Red Herring Prospectus.

### **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

There has been no time / cost overrun in setting up projects by our Company.

### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY**

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into Equity Shares.

### **CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS**

There has been no change in the business activities of our Company during last five (5) years from the date of this Draft Red Herring Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in chapter titled "Management's discussion and analysis of financial conditions & results of operations" beginning on page 200 of this Draft Red Herring Prospectus.

### **SUBSIDIARIES/HOLDINGS AND JOINT VENTURES OF THE COMPANY**

Our company does not have any Subsidiaries / Holdings and Joint Ventures.

### **LOCK-OUT OR STRIKES**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

### **INJUNCTION AND RESTRAINING ORDER**

Our company is not under any injunction or restraining order, as on date of filing of this Draft Red Herring Prospectus.

#### **MANAGERIAL COMPETENCE**

For managerial Competence, please refer to the chapter titled “*Our Management*” beginning on Page No. 151 of this Draft Red Herring Prospectus.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY**

As on the date of filing of this Draft Red Herring Prospectus, the total numbers of Equity shareholders are 22 (Twenty-Two). For more details on the shareholding of the members, please see the section titled “*Capital Structure*” beginning on Page No. 63 of this Draft red Herring Prospectus.

#### **SHAREHOLDERS’ AGREEMENTS**

Our Company has not entered into any shareholders agreement as on the date of filing this Draft Red Herring Prospectus.

#### **OTHER AGREEMENTS**

As on the date of this Draft Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered as on the date of this Draft Red Herring Prospectus.

#### **JOINT VENTURE AGREEMENTS**

Our Company has not entered into any joint venture agreement as on the date of this Draft Red Herring Prospectus.

#### **COLLABORATION AGREEMENTS**

Our Company has not entered into any collaboration agreement as on the date of this Draft Red Herring Prospectus.

#### **STRATEGIC PARTNERS**

Our Company is not having any strategic partner as on the date of filing this Draft Red Herring Prospectus.

#### **FINANCIAL PARTNERS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

## KEY INDUSTRY REGULATIONS

*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 Statutory Approvals" beginning on Page No. 224 of this Draft Red Herring Prospectus.*

*Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us.*

### **THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as —micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees; —Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise , where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, —Micro – enterprise, where the investment in equipment does not exceed ten lakh rupees, —Small Enterprise, where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or — Medium Enterprise, where the investment in equipment is more than two crore rupees but does not exceed five crore rupees. Additionally, the Ministry of Micro, Small and Medium Enterprise (MSME) has given a scheme on Corrugated Board and Boxes.

Our Company satisfies all the criteria under the Micro, Small and Medium Enterprises Development Act, 2006 and has accordingly acquired the "Udyam Registration Certificate", for further details kindly refer to the Section X "Legal and Other Information", page no. 221 of this DRHP.

### **THE FOREIGN TRADE (DEVELOPMENT & REGULATION) ACT, 1992:**

The Foreign Trade (Development & Regulation) Act, 1992 The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and license to import or export includes a customs clearance permit and any other permission issued under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

Under this Act our Company has acquired the "Import-Export Certificate", for further details kindly refer to the Section X "Legal and Other Information", page no 221 of this DRHP.

### **FACTORIES ACT, 1948:**

The Factories Act, 1948 is a social legislation which has been enacted for occupational safety, health and welfare of workers at work places. The objective of the Act is to regulate the conditions of work in manufacturing establishments coming within the definition of the term 'factory' as used in the Act. The Act is applicable to all the factories including State, and Central Government, to the premises wherein 10 or more workers are employed with use of power and engaged in manufacturing activities, 20 or more workers are employed without the use of power and engaged in manufacturing activities, less than 10 workers, State governments can prescribe rules for their respective states.

Under the Factories Act, 1948 our Company has acquired "Factory License", for further details kindly refer to the Section X "Legal and Other Information", page no 221 of this DRHP.

## **SHOPS AND ESTABLISHMENTS LAWS:**

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws 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.

Under the Shop and Establishment Laws, our Company has acquired Registration “Certificate for Shop and Establishment” under Uttar Pradesh Shops and Establishment (Regulation of Employment and Conditions of Service) Act, for further details kindly refer to the Section X “Legal and Other Information”, page no. 221 of this DRHP.

## **THE TRADE MARKS ACT, 1999:**

The Trade Marks Act, 1999 (“TM Act”) provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the TM Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

Our Company has acquired trademark for our company’s name “Envirotech” under this act, for further details kindly refer to the Section X “Legal and Other Information”, page no. 221 of this DRHP.

## **EMPLOYMENT RELATED LAWS**

Our Company under various law, is required to comply from time to time with certain laws in relation to the employment of labour. The labour legislations which are applicable to our Company are set forth below:

### **EMPLOYEES STATE INSURANCE ACT, 1948:**

Employees State Insurance Act, 1948 (“ESI Act”) as amended, 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. Our Company acquired “Employee State Insurance Certificate” under the given act, for further details kindly refer to the Section X “Legal and Other Information”, page no. 221 of this DRHP.

### **EMPLOYEES PROVIDENT FUND AND MISCELLANEOUS PROVISIONS ACT, 1952 AND THE SCHEMES FORMULATED THERE UNDER:**

This Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”) provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

- (i) The Employees Provident Fund Scheme, 1952:** As per this scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.
- (ii) The Employees’ Pension Scheme, 1995:** Employees’ Pension Scheme is a pension scheme for survivors, old aged and disabled persons. This scheme derives its financial resource by partial diversion from the provident fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33% of the employee’s pay shall be remitted by the employer to the employees’ pension fund within fifteen (15) days of the close of every month by a separate bank draft or cheque on account of the employees’ pension fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the EPF Act.

- (iii) The Employees Deposit Linked Insurance Scheme, 1976:** As per this scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the EPF Act, to the insurance fund within fifteen (15) days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the EPF Act. Our Company has registered under the Employees Provident Fund and Miscellaneous Provisions Act, for further details kindly refer to the Section X “Legal and Other Information”, page no. 221 of this DRHP.
- (iv) THE MINIMUM WAGES ACT, 1948:** The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.
- (v) THE PAYMENT OF WAGES ACT, 1936:** The Payment of Wages Act, 1936 as amended (the “Payment of Wages Act”) has been enacted to regulate the payment of wages in a particular form at regular intervals without unauthorized deductions and to ensure a speedy and effective remedy to employees against illegal deductions and/or unjustified delay caused in paying wages. It applies to the persons employed in a factory, industrial or other establishment, whether directly or indirectly, through a sub-contractor and provides for the imposition of fines and deductions and lays down wage periods. The Payment of Wages Act is applicable to factories and industrial or other establishments where the monthly wages payable is less than Rs. 6,500 per month.
- (vi) THE EQUAL REMUNERATION ACT, 1976:** The Equal Remuneration Act, 1976, as amended (ER Act) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

#### **TAX LAWS:**

**Below-mentioned are the Tax Laws which are applicable on our Company:**

##### **THE INCOME TAX ACT, 1961:**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

##### **THE GOODS AND SERVICES TAX ACT, 2017:**

Goods and Services Tax (GST) is considered to be the biggest tax reform in India since independence. It will help realise the goal of “One Nation-One Tax-One Market.” GST is expected to benefit all the stakeholders – industry, government and consumer. Goods and Services Tax (GST) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India –Arun Jaitley. This Act has been made applicable with effect from July 1, 2017. With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components – central GST and a state GST. Thus, there will be a comprehensive and continuous mechanism of tax credits. The Central government passed four sets of GST Acts in the Budget session this year. These were Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017. The Acts were approved by the Parliament after they were introduced

as the part of the Money Bill. Following the passage of GST Acts, the GST council has decided 4 tax rate slabs viz., 5%, 12%, 18% and 28% on supply of various goods and services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced.

Under the Goods and Services Tax Act, 2017, our Company has acquired “GST Certificate”, for further details kindly refer to the Section X “Legal and Other Information”, page no. 221 of this DRHP.

**CUSTOMS ACT, 1962:**

The Customs Act was formulated in 1962 to prevent illegal exports and imports of goods. Customs Act, 1962 is the basic Act for levy and collection of customs duty in India. It contains various provisions relating to imports and exports of goods and merchandize as well as baggage of persons arriving in India. All imports are sought to be subject to a duty with a view to affording protection to indigenous industries as well as to keep the imports to the minimum in the interests of securing the exchange rate of Indian currency. For the purpose of exercising proper surveillance over imports and exports, the Central Government has the power to notify the ports and airports for the unloading of the imported goods and loading of the exported goods, the places for clearance of goods imported or to be exported, the routes by which above goods may pass by land or inland water into or out of Indian and the ports which alone shall be coastal ports. The Act also contains detailed provisions for warehousing of the imported goods and manufacture of goods is also possible in the warehouses.

**OTHER COMMERCIAL AND STATUTORY LAWS**  
**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 mechanisms 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.

**COMPETITION ACT, 2002:**

The Competition Act, 2002 “prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of

the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

**INDIAN CONTRACT ACT, 1872:**

Indian Contract Act codifies the way we enter into a contract, execute a contract, and implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties. The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the Act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honored and that legal remedies are made available to those who are affected.

**NEGOTIABLE INSTRUMENTS ACT, 1881:**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

**THE REGISTRATION ACT, 1908 (“REGISTRATION ACT”):**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

**INDIAN STAMP ACT, 1899 (THE “STAMP ACT”):**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

**TRANSFER OF PROPERTY ACT, 1882 (“TP ACT”):**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the TP Act. The TP Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

### **THE CONSUMER PROTECTION ACT, 1986 (“COPRA”):**

“COPRA” aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of these authorities attracts criminal penalties.

### **THE SPECIFIC RELIEF ACT, 1963:**

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. “Specific performance” means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### **THE COPYRIGHT ACT, 1957**

The Copyright Act, 1957 (“Copyright Act”) governs the copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a pre-requisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for sixty (60) years. The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

### **FIRE SAFETY LEGISLATIONS**

Fire safety legislations enacted by several states in India provide for, amongst other things, the establishment of state fire services departments in respective State. Under these laws, owners of certain premises or certain class of premises, which are used for purposes which may cause a risk of fire, are required to obtain an approval from the relevant authority of such fire services department. Owners are further required to implement adequate fire prevention and safety measures and appoint a fire safety officer for inspection of premises from time to time, as may be prescribed under applicable law. Further, restrictions have been imposed on the working of high-risk premises in case these approvals are not acquired or for other violations of the provisions of the fire safety laws.

### **THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2011:**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

### **BUSINESS / TRADE RELATED LAWS / REGULATIONS:**

**Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.**

Since our Company is involved in the business of web hosting, software development, providing real time solutions at the place of the Clients and development of tailor-made systems at the clients' place at their specifications using computer or computerized system. During the course of development of such products, we interchange sensitive information, data, records, functions, security procedures and like and hence our working is governed by Information Technology Act, 2000. This act governs and provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as —electronic commerce. It also gives legal recognition to Digital Signatures and facilitates storage of data. The Act is applicable to any offence or contravention committed outside India as well. If the conduct of person constituting the offence involves a computer or a computerized system or network located in India, then irrespective of his/her nationality, the person is punishable under the Act.

#### **The Personal Data Protection Bill, 2019 (“Bill”)**

The Personal Data Protection Bill, 2019 was introduced in Lok Sabha on December 11, 2019. The Bill seeks to provide for protection of personal data of individuals and establishes a Data Protection Authority for the same. Data Protection refers to the set of privacy laws, policies and procedures that aim to minimise intrusion into one's privacy caused by the collection, storage and dissemination of personal data. Personal data generally refers to the information or data which relate to a person who can be identified from that information or data whether collected by any Government or any private organization or an agency.

#### **National Digital Communications Policy 2018**

With significant capabilities in both telecommunications and software, India, more than most countries, stands poised to benefit from harnessing new digital technologies and platforms to unlock productivity, as well as to reach unserved and underserved markets; thus catalysing economic growth and development, generating new-age jobs and livelihoods, and ensuring access to next generation services for its citizens. This policy aims for Universal Coverage rather than revenue maximization. This policy and principles framework will enable creation of a vibrant competitive telecom market to strengthen India's long term competitiveness and serve the needs of our aspiring nation. The Policy aims to remove regulatory barriers and reduce the regulatory burden that hampers investments, innovation and consumer interest and identifies steps to strengthen the sector's institutional mechanism and legislative framework, to ensure that India's economy and citizens can derive the full potential of its digital communications sector.

#### **Data Center Policy, 2020**

Indian Data Centre market has seen tremendous growth in the past decade, riding on the explosion of data through smartphones, social networking sites, ecommerce, digital entertainment, digital education, digital payments and many other digital businesses / services. This growth in data is further stimulated by adoption of emerging technologies such as quantum computing, artificial intelligence, internet of things etc. While the Data Centre sector is witnessing growth in the country, there are known impediments to its growth such as lack of infrastructure or Industry status of the Data Centres, complex clearance processes, time consuming approvals, high cost of power, lack of published standards, absence of specialised building norms for building the Data Centres, submarine cable network connectivity limited to few states and high cost of capital and operational expenditure etc. This policy aims to offset these challenges in order to accelerate the current pace of growth and propel India in becoming a global Data Centre hub.

## OUR MANAGEMENT

**Board of Directors:** As per the Articles of Association, our Company is required to have not less than Three (3) Directors and not more than Fifteen (15) Directors. Currently, our Company have Six (6) Directors of which two (2) are Executive Director, One (1) Non- Executive and three (3) are Independent Directors.

The following table sets forth the details regarding our Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Shareholding (Pre-Issue)	Other Directorships
1.	<p><b>Mr. Manoj Kumar Gupta</b>  <b>Father Name:</b> Mr. Mahesh Chandra Gupta  <b>Date of Birth:</b> June 21, 1973  <b>Age:</b> 50 Years  <b>Designation:</b> Managing Director  <b>Address:</b> C-7, Kendriya Vihar, Sector 51, Noida, Gautam Buddha Nagar, U.P. , India – 201301  <b>Experience:</b> 20 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> He has completed Bachelor of Science from Kanpur University in 1993. He has also completed Diploma course in Mechanical Engineering from Lucknow Polytechnic.  <b>Nationality:</b> Indian  <b>DIN:</b> 01187138</p>	<p>Originally, he was appointed as First Director upon incorporation of the Company i.e. February 09, 2007.</p> <p>Further designated as Managing Director w.e.f. January 12, 2024 for the period of 5 years.</p>	<p>91,47,650 Equity Shares; 68.32% of Pre- Issue Paid up capital</p>	<p><b>Indian Companies:</b> NIL</p> <p>LLP 1. Ayaan Residency &amp; Banquets LLP</p> <p><b>Foreign Companies:</b> NIL</p>
2.	<p><b>Ms. Sindhu Gupta</b>  <b>Father Name:</b> Mr. Vishwa Nath Gupta  <b>Date of Birth:</b> August 10, 1976  <b>Age:</b> 47 Years  <b>Designation:</b> Director  <b>Address:</b> C-7, Kendriya Vihar, Sector 51, Noida, Gautam Buddha Nagar, U.P. , India – 201301  <b>Experience:</b> 15 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> She has completed Masters in Political Science from Chhatrapati Shahu ji Maharaj University, Kanpur in 1999. She has also completed Bachelors in Arts</p>	<p>Originally, She was appointed as First Director upon incorporation of the Company i.e. February 09, 2007.</p>	<p>37,70,000 Equity Shares; 28.16% of Pre- Issue Paid up capital</p>	<p><b>Indian Companies:</b> NIL</p> <p><b>Foreign Companies:</b> NIL</p>

	from Shri Shahu ji Maharaj University, Kanpur in 1997 <b>Nationality:</b> Indian <b>DIN:</b> 01190580			
3	<b>Mr. Rakesh Gupta</b> <b>Father Name:</b> Gulashan Lal Gupta <b>Date of Birth:</b> March 13 <sup>th</sup> , 1957 <b>Age:</b> 67 <b>Designation:</b> Non- Executive Director <b>Address:</b> A-66, Sector -31, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201301  <b>Experience:</b> 48 years <b>Occupation:</b> Self- Employed <b>Qualifications:</b> bachelor of Commerce <b>Nationality:</b> Indian <b>DIN:</b> 01145603	Originally appointed on the Board as Director W.e.f. January 12, 2024.  Further designated as Non- Executive Director w.e.f. March 29, 2024	NIL	<b>Indian Companies:</b> 1. Moksh Jungle Retreat Private Limited. 2. Saanvi Residency Private Limited 3. Solanki Software Private Limited 4. Shobit Creations Private Limited 5. Kamal Sports Private Limited.  <b>Foreign Companies:</b> NIL
4	<b>Mr. Gaurav Bajpai</b> <b>Father Name:</b> Mr. Krishna Kant Bajpai <b>Date of Birth:</b> November 24, 1975 <b>Age:</b> 48 Years <b>Designation:</b> Independent Director <b>Address:</b> E-204, Windsor Park, Vaibhav Khand, Shipra Sun City, Ghaziabad, Uttar Pradesh – 201014 <b>Experience:</b> 31 Years <b>Occupation:</b> Self Employed <b>Qualifications:</b> Bachelor of Commerce <b>Nationality:</b> Indian <b>DIN:</b> 02291802	Appointed as Additional Director Non – Executive Independent Director w.e.f. March 23, 2024.  Further designated as Independent Director w.e.f. March 29, 2024	NIL	<b>Indian Companies:</b> 1. Shardha Infosystems Private Limited  <b>Foreign Companies:</b> NIL
5	<b>Mr. Rohit Kumar</b> <b>Father Name:</b> Mr. Lakhpat Singh <b>Date of Birth:</b> July 08, 1992 <b>Age:</b> 31 Years <b>Designation:</b> Independent Director <b>Address:</b> Plot no. 3/798, Sector-3, Vasundhra, Ghaziabad, Uttar Pradesh – 201012 <b>Experience:</b> 8 years <b>Occupation:</b> Self Employed <b>Qualifications:</b> B.COM and LLB from C.C.S University, Meerut (U.P)	Appointed as Additional Director Non – Executive Independent Director w.e.f. March 23, 2024.  Further designated as Independent Director w.e.f. March 29, 2024	NIL	<b>Indian Companies:</b> 1. NIL  <b>Foreign Companies:</b> NIL

	<b>Nationality:</b> Indian <b>DIN:</b> 10515418			
6	<b>Ms. Sachin Kumar</b> <b>Father Name:</b> Mr. Vinod Kumar <b>Date of Birth:</b> October 05, 1985 <b>Age:</b> 38 Years <b>Designation:</b> Independent Director <b>Address:</b> 469/1-B/9-C, 2 <sup>nd</sup> Floor, Main Road, near East Azad Nagar Metro Station, Bhola Nath Nagar, Shahdara, North East Delhi, Delhi, 110032 <b>Experience:</b> 09 Years <b>Occupation:</b> Self Employed <b>Qualifications:</b> Bachelor of Arts & MBA <b>Nationality:</b> Indian <b>DIN:</b> 09233592	Appointed as Additional Director Non – Executive Independent Director w.e.f. March 23, 2024.  Further designated as Independent Director w.e.f. March 29, 2024	NIL	<b>Indian Companies:</b> NIL  <b>Foreign Companies:</b> NIL

### **BRIEF PROFILE OF OUR DIRECTORS**

#### **1. Manoj Kumar Gupta:**

Mr. Manoj Kumar Gupta, aged 50 years is Promoter, Managing Director of the Company. Originally, he was appointed as First Director upon incorporation of the Company i.e. February 09, 2007. Thereafter, he was appointed Managing Director for a period of five (5) years w.e.f. January 12, 2024, liable to retire by rotation. He has completed Bachelor of Science from Kanpur University in 1993. He has also completed Diploma course in Mechanical Engineering from Lucknow Polytechnic. He is having experience of more than 20 years in Acoustic Insulation industry. He has been instrumental in taking major policy decision of the Company and in leading the Company. He has been playing vital role in formulating business strategies and effective implementation of the same.

#### **2. Sindhu Gupta**

Ms. Sindhu Gupta, aged 47 years is a Promoter and Director of the Company. Originally She was appointed as First Director upon incorporation of the Company i.e. February 09, 2007. She has completed Masters in Political Science from Chhatrapati Shahu Ji Maharaj University, Kanpur in 1999. She has also completed Bachelors in Arts from Shri Shahu Ji Maharaj University, Kanpur in 1997. She is having experience of more than 20 years in managing Administration & Human Resources.

#### **3. Rakesh Gupta**

Rakesh Gupta, aged 67 years is a Non-Executive Director of the Company. He is Bachelors of Commerce by Qualification. He worked with Ministry of Home Affairs – Intelligence Bureau as an Intelligence officer, then started his own building & construction company and then established his Hotels and Banquets business. Currently he runs various budget hotels and banquets halls in Delhi NCR and in Goa.

#### **4. Gaurav Bajpai**

Mr. Gaurav Bajpai, aged 48 years is an Independent Director of the company. Graduating from Shri Shahu Ji Maharaj University, Kanpur in 1996, and obtaining a Diploma in Interior Designing from Exterior Interiors & Jenson & Nicholson India Ltd. in 1998. They have extensive experience in the field of interior design, currently working at Mayic Design (Proprietorship) since August 21, 2018. In their role, they develop and implement comprehensive business strategies, create annual business plans, and manage client acquisition and relationships. They also oversee project management processes and provide creative direction for design projects, fostering a culture of design excellence and innovation within the team.

## **5. Rohit Kumar**

Mr. Rohit Kumar, aged 31 years is an Independent Director of the company. A professional with a unique career trajectory, having started working in a CA Firm and gained over 1.5 years of experience. He then transitioned to the Tours & Travels industry, accumulating 3 years and 9 months of experience, followed by 2 years in the IT Company Sector Skill Council. He completed his B.Com from CCS University, Meerut (U.P) in 2013 and his LL.B from Meerut College, Meerut (U.P) in 2019. Currently, as a Senior Accounts Executive at BIPS Group, he manages multiple company accounts and leads a team of 4 members in the accounts department, overseeing operations for entities such as BIPS Systems Limited (IT Company), Indo Energy Nuclear Pvt. Ltd (Ethanol Plant), and IASC Sector Skill Council.

## **6. Mr. Sachin Kumar**

Sachin Kumar, aged 38 years is an Independent Director of the company. He is a seasoned finance professional with a strong educational background, graduate from Dr. Bhimrao Ambedkar University in 2006 and completed his post-graduation from Bundelkhand University in 2009. Since May 19, 2015, he has excelled as a Senior Financial Officer at Trade Finance Capital, focusing on the Business Banking Division and working capital facility. His key responsibilities include expanding broker networks for project finance, securing business leads, negotiating deal terms with clients, and cross-selling products.

### **Confirmations**

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above-mentioned Directors are on the RBI list of willful defaulters or fraudulent borrower as on the date of filing of this Draft Red Herring Prospectus.
- Further, our Company, our Promoter, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.
- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Directors and promoter of our company.
- No proceedings / investigations have been initiated by SEBI against any Company, the Board of Directors of which also comprises any of the Directors of our Company.

Except as disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on Page 221 of this Draft Red Herring Prospectus, there is no criminal cases filed or being undertaken with regard to alleged commission of any offence by any of our directors which also effected the business of our company and none of directors of our Company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.

Further, our Company, our Promoter, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

### **RELATIONSHIP BETWEEN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Except, mentioned below there is no relationship between any of the Directors or Directors and Key Managerial Personnel of our Company as on date of filing of Draft Red Herring Prospectus.

Name of Director	Designation	Relation
Mr. Manoj Kumar Gupta	Managing Director	He is the husband of Sindhu Gupta
Ms. Sindhu Gupta	Director	She is wife of Manoj Kumar Gupta

**ARRANGEMENTS WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

**SERVICE CONTRACTS:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

**DETAILS OF BORROWING POWERS OF COMPANY**

Our Company has passed a Special Resolution in the Extra Ordinary General Meeting of the members held on January 19<sup>th</sup>, 2024, authorizing the Board of Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 40 Crore (Rupees Forty Crores only).

**COMPENSATION OF OUR MANAGING DIRECTOR AND EXECUTIVE DIRECTOR**

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 2013, for the time being in force).

**THE FOLLOWING COMPENSATION HAS BEEN APPROVED FOR MANAGING DIRECTOR AND EXECUTIVE DIRECTOR:**

Particulars	Mr. Manoj Kumar Gupta	Ms. Sindhu Gupta
Re-Appointment / Change in Designation	January 12, 2024	-
Designation	Managing Director	Director
Term of Appointment	5 Years	-
Remuneration Payable from FY 2023-24*	Upto ₹ 120.00 lakhs	₹ 24 Lakhs p.a.
Remuneration paid for Year 2022-23	₹20.40 Lakhs p.a.	₹ 14.40 Lakhs p.a.
Remuneration paid for Year 2021-22	₹15.90 Lakhs p.a.	₹12.60 Lakhs p.a.

\* Effective from date of change in designation as mentioned above.

## **BONUS OR PROFIT SHARING PLAN FOR OUR DIRECTORS**

We have no bonus or profit-sharing plan for our Directors.

## **SITTING FEE**

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director & Whole-Time Directors) for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors has resolved in their meeting dated March 23<sup>rd</sup>,2024 for payment to all Non-Executive Independent Directors for attending each such meeting of the Board or Committee thereof.

## **SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of Shares held</b>	<b>Holding in % (Pre Issue)</b>
1	Mr. Manoj Kumar Gupta	91,47,650	68.32%
2	Ms. Sindhu Gupta	37,70,000	28.16%

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus. Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

## **INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- “Compensation of our Managing Director a Whole Time Directors” above, under chapter titled “Our Management” beginning on page 151 of this Draft Red Herring Prospectus

Our directors may also be regarded as interested their shareholding and dividend payable thereon, if any, Our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives.

Further our director may also be interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our directors may also be interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section “Our Management” or the section titled “Restated Financial Statement - Related Party Transactions- Annexure R” beginning on page 151 and 172 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our directors do not have any other interest in our business.

### **Contingent and deferred compensation payable to Director**

No Director has received or is entitled to any contingent or deferred compensation

### **Companies with which our Directors has Disassociated as Director in the Last Three (3) Years**

Our Directors have not disassociated as a director from any companies during the last three years preceding the date of this Draft Red Herring Prospectus

### **Interest in the property of Our Company**

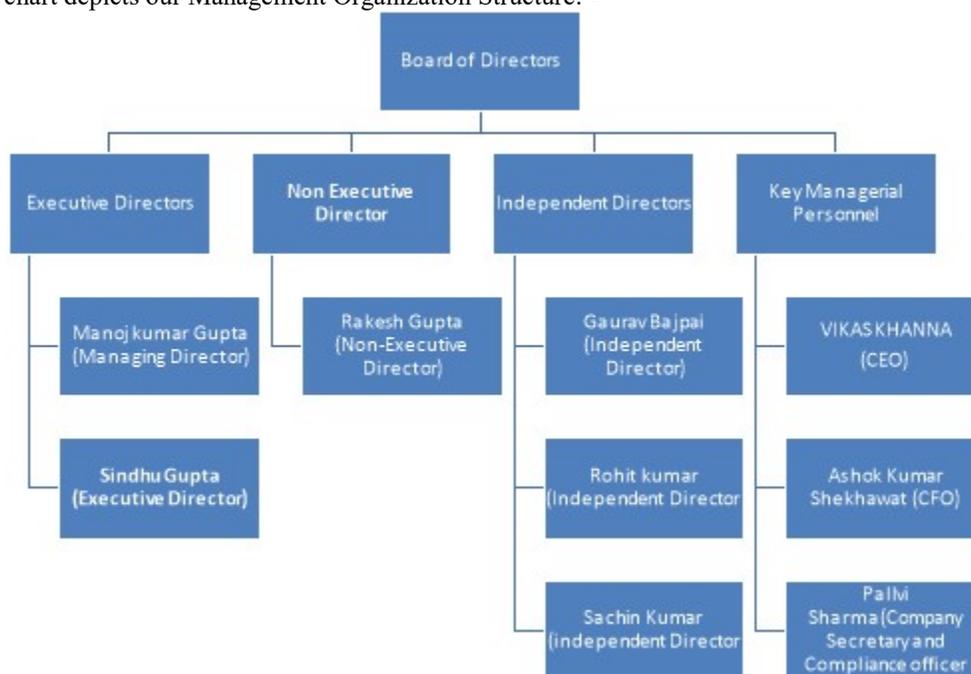
Except as disclosed above and in the chapters titled “Business Overview” and “Restated Financial Statement – Related Party Transactions- Annexure R” and “History and Corporate Structure” on page 119, 190 and 139 respectively of this Draft Red Herring Prospectus, our directors do not have any interest in any property acquired two years prior to the date of this Draft Red Herring Prospectus.

### **CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

<b>Sr. No.</b>	<b>Name</b>	<b>Date &amp; Nature of Change</b>	<b>Reasons for Change</b>
1.	Mr. Rakesh Gupta	Appointed as Non- Executive Director w.e.f. March 29, 2024	To ensure better Corporate Governance
2.	Mr. Gaurav Bajpai	Appointed as Independent Director w.e.f. March 29, 2024	To ensure better Corporate Governance
3.	Mr. Rohit Kumar	Appointed as Independent Director w.e.f. March 29, 2024	To ensure better Corporate Governance
4.	Mr. Sachin Kumar	Appointed as Independent Director w.e.f. March 29, 2024	To ensure better Corporate Governance
5.	Mr. Gaurav Bajpai	Appointed as Additional Director w.e.f. March 23, 2024	To ensure better Corporate Governance
6.	Mr. Rohit Kumar	Appointed as Additional Director w.e.f. March 23, 2024	To ensure better Corporate Governance
7.	Mr. Sachin Kumar	Appointed as Additional Director w.e.f. March 23, 2024	To ensure better Corporate Governance
8.	Mr. Manoj Kumar Gupta	He has been appointed as Managing Director of the Company w.e.f. January 12, 2024.	To ensure better Corporate Governance
9.	Mr. Rakesh Gupta	He has been appointed as an Additional Director of the Company w.e.f. December 18,2023.	To ensure better Corporate Governance
10.	Mr. Yash Gupta	Resignation of Director of the Company w.e.f. October 03, 2022.	To ensure better Corporate Governance
11.	Mr. Yash Gupta	He has been appointed as a Director of the Company w.e.f. November 29, 2021.	To ensure better Corporate Governance
12.	Mr. Yash Gupta	He has been appointed as an Additional Director of the Company w.e.f. October 21,2021.	To ensure better Corporate Governance

## MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure: -



## COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE (NSE EMERGE). The requirements pertaining to constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Six (6) directors of which two (2) are Executive Director, one (1) is Non- Executive Director and three (3) are Independent Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated March 29<sup>th</sup>, 2024, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE, the constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Rohit Kumar	Chairman	Non-Executive Independent Director
Mr. Sachin Kumar	Member	Non-Executive Independent Director
Mr. Gaurav Bajpai	Member	Non-Executive Independent Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

- A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
- B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting.
- C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:
1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
  3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
  5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
    - 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;
    - changes, if any, in accounting policies and practices and reasons for the same;
    - major accounting entries involving estimates based on the exercise of judgment by management;
    - significant adjustments made in the financial statements arising out of audit findings;
    - compliance with listing and other legal requirements relating to financial statements;
    - disclosure of any related party transactions;
    - modified opinion(s) in the draft audit report;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the listed entity with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. 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;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulations, 2015 as amended vide Resolution dated March 29<sup>th</sup>, 2024. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Gaurav Bajpai	Chairman	Non-Executive Independent Director
Mr. Rohit Kumar	Member	Non-Executive Independent Director
Mr. Sachin Kumar	Member	Non-Executive Independent Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. **Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. **Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. **Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
  - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
  - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
  - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
  - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
  - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
  - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
  - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

## 3. NOMINATION AND REMUNERATION COMMITTEE

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulations, 2015 as amended vide Resolution dated March 29<sup>th</sup>, 2024. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Sachin Kumar	Chairman	Non-Executive Independent Director
Mr. Rohit Kumar	Member	Non-Executive Independent Director
Mr. Gaurav Bajpai	Member	Non-Executive Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.
- C. Role of Terms of Reference:**
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
  - Formulation of criteria for evaluation of performance of independent directors and the board of directors;
  - Devising a policy on diversity of board of directors;
  - 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 of directors their appointment and removal.
  - To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  - The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

#### **OUR KEY MANAGERIAL PERSONNEL**

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

<b>Name, Designation &amp; Educational Qualification</b>	<b>Age (Year)</b>	<b>Date of joining as KMP</b>	<b>Compensation paid for the F.Y ended 2024 (in Rs Lakhs)</b>	<b>Over all experience(in years)</b>	<b>Previous Employment</b>
Name: <b>Manoj Kumar Gupta</b> Designation: Managing Director Qualification: Bachelor of Science	50	Managing Director w.e.f. 12 <sup>th</sup> January, 2024	30.00	27 Years	-
Name: <b>Ashok Kumar Shekhawat</b> Designation: CFO Qualification: B.com & M. com	52	CFO w.e.f. 12 <sup>th</sup> January, 2024	13.20	32 Years	-
Name: <b>Vikas Khanna</b> Designation: CEO Qualification: B.tech	43	CEO w.e.f. 12 <sup>th</sup> January, 2024	11.30	20 Years	Ecotone Systems Private Limited
Name: <b>Pallvi Sharma</b>	32	Company Secretary	0.90	4 Years	AM &

Designation: Company Secretary Qualification: CS		w.e.f 12 <sup>th</sup> January, 2024			Associate, Chartered Accountants
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### **BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

#### **1. Manoj Kumar Gupta - Managing Director**

Please refer to section “Our Management” beginning on page 151 of this Draft Red Herring Prospectus for details

#### **2. Ashok Kumar Shekhawat - Chief Financial Officer**

Ashok Kumar Shekhawat is a seasoned finance professional with over two decades of experience spanning administration, finance strategy, accounting, audit, taxation, and sourcing. Holding a Master's degree in Commerce from Delhi University (1997) and a Bachelor's degree from the same institution (1994), Ashok currently oversees finance, accounting, taxation, and administrative activities at Envirotech Systems Limited. He excels in developing and implementing financial strategies aligned with business objectives, ensuring regulatory compliance, managing budgeting, financial reporting, and cash flow forecasting.

#### **3. Vikas Khanna - Chief Executive Officer**

Mr. Vikas Khanna is a seasoned professional with over 20 years of experience in industrial and architectural acoustical products. Currently employed at Envirotech Systems Private Limited since May '20, he contributes significantly to the organization's growth as a manufacturer of various acoustical solutions, including fire doors, acoustic doors, movable walls, and more. Prior to this role, he served at Ecotone Systems Private Limited for four years, showcasing his expertise in the same domain. His earlier tenure at Sheela Foam Limited, spanning from Oct '07 to March '16, saw him leading technical and institutional foam sales in the North and East Zones as the Team Manager for Technical Sales and Marketing. Vikas holds a Bachelor's degree in Industrial & Production (Mechanical Engineering) from MIET Meerut. Known for his technical prowess coupled with strong sales and marketing skills, he has consistently achieved targets and built effective teams, nurturing key client relationships to drive business expansion. With a proven track record of success and extensive experience in handling exhibitions and government dealings, Vikas is a valuable asset in the field.

#### **4. Pallavi Sharma - Company Secretary and Compliance Officer**

Pallavi Sharma, Company Secretary cum Compliance officer of our Company, an Associate Member of the Institute of Company Secretaries of India, brings over 4 years of expertise in secretarial compliances to her roles. Holding positions at AM & Associates from February 2021 to February 2022, Federal-Mogul Ignition Products India Limited (a US MNC) from December 2018 to March 2020, and S.S. Khudania & Co. from September 2017 to April 2018, she has showcased her proficiency in overseeing a spectrum of secretarial functions. Pallavi's responsibilities have included facilitating board meetings, filing necessary e-forms, drafting resolutions and reports, and maintaining statutory registers for companies. Her meticulous approach and commitment to regulatory adherence have made her a trusted resource in navigating complex compliance landscapes.

### **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

None of the KMP of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

-We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Mr. Manoj Kumar Gupta is also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the stub period ended December 31, 2023.
- Except for the terms set forth in the appointment Letters the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.

- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except as under:

Sr. No.	Name of KMP	No. of Shares held	Holding in %
1.	Mr. Manoj Kumar Gupta	91,47,650	68.32%
2.	Mr. Ashok Kumar Shekhawat	780	0.01%

- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The remuneration of KMPs is not high, compared to the Industry to which our Company belongs.

#### **PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)**

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuations, ex-gratia/rewards.

#### **BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL**

Currently, Our Company does not have any bonus or profit-sharing plan for our Key Managerial Personnel. In future, Discretionary bonus may be paid as may be decided by Nomination and Remuneration Committee/ Board of Directors, depending upon the performance of the Key Managerial Personnel, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013.

#### **CHANGES IN THE KEY MANAGERIAL PERSONNEL IN LAST THREE YEARS:**

There have been no changes in the Key Managerial Personnel of our Company during the last three years except as stated below:

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Manoj Kumar Gupta	Re designated as Managing Director w.e.f January 12, 2024	To ensure better Corporate Governance
		Initial Subscriber to MoA and First Director of the company.	To ensure better Corporate Governance
2.	Mr. Ashok Kumar Shekhawat	Appointed as CFO w.e.f. January 12, 2024	To ensure better Corporate Governance
3.	Mr. Vikas Khanna	Appointed as CEO w.e.f. January 12, 2024	To ensure better Corporate Governance
4.	Ms. Pallvi Sharma	Appointed as CS w.e.f. January 12, 2024	To ensure better Corporate Governance

#### **INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY**

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company.

Except as provided in this Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Red Herring Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to chapter “Restated Financial Statement” on page 172 of this Draft Red Herring Prospectus.

#### **OTHER NON SALARY RELATED BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this Draft Red Herring Prospectus, there are no other benefits payable to our Key Managerial Personnel.

#### **EMPLOYEE STOCK OPTION AND STOCK PURCHASE SCHEMES**

As on the date of this Draft Red Herring Prospectus, there are no **Employee stock option and stock purchase schemes** of the company.

#### **EMPLOYEES**

The details about our employees appear under the Paragraph titled —Human Resource in Chapter Titled — Business Overview beginning on page 119 of this Draft Red Herring Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

Mr. Manoj Kumar Gupta and Ms. Sindhu Gupta are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, Mr. Manoj Kumar Gupta and Ms. Sindhu Gupta holds 1,29,17,650 Equity Shares which constitute 96.47% of the issued and paid-up Equity Share capital of our Company. Our Promoters and Promoter Group will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

### Details of our Promoters: -

	<b>Mr. Manoj Kumar Gupta, Managing Director</b>	
	<b>Qualification</b>	Bachelor of Science and Diploma course in Mechanical Engineering
	<b>Date of Birth</b>	21/06/1973
	<b>Age</b>	50 Years
	<b>Address</b>	C-7, Kendriya Vihar, Sector 51, Noida, Gautam Buddha Nagar, U.P. , India – 201301
	<b>Experience</b>	20 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AGEPG6536B
	<b>Passport Number</b>	J8158412
	<b>Driving License Number</b>	UP1620090151454
	<b>No. of Equity Shares held in ESL [% of Shareholding (Pre-Issue)]</b>	91,47,650 Equity Shares of ₹ 10 each; 68.32% of Pre- Issue Paid up capital
	<b>DIN</b>	01187138
	<b>Other Interests</b>	<b>Companies:</b> Nil <b>LLP:</b> Ayaan Residency & Banquets LLP
	<b>Ms. Sindhu Gupta, Director</b>	
	<b>Qualification</b>	Bachelor of Arts and Master of Arts
	<b>Date of Birth</b>	10/08/1976
	<b>Age</b>	47 Years
	<b>Address</b>	C-7, Kendriya Vihar, Sector 51, Noida, Gautam Buddha Nagar, U.P. , India – 201301
	<b>Experience</b>	15 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AJYPG2377H
	<b>Passport Number</b>	J9537597
	<b>Driving License Number</b>	UP16 20200024337
	<b>No. of Equity Shares held in ESL [% of Shareholding (Pre-Issue)]</b>	37,70,000 Equity Shares of ₹ 10 each; 28.16% of Pre- Issue Paid up capital
	<b>DIN</b>	01190580
	<b>Other Interests</b>	<b>Companies:</b> Nil

## **DECLARATION**

We confirm that the Permanent Account Number, Bank Account Number, Aadhar Card Number, Passport Number and Driving License of the Promoters which are available have been submitted to NSE at the time of filing of Draft Red Herring Prospectus with them.

Initial subscribers to the MoA of our Company and Present Promoters of Our Company are Mr. Manoj Kumar Gupta; Ms. Sindhu Gupta. For details of the shareholding acquired by the current promoters of our Company refer the capital buildup of our Promoter under chapter “Capital Structure” beginning on page 63 of this Draft Red Herring Prospectus.

## **UNDERTAKING/ CONFIRMATION**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 221 of this Draft Red Herring Prospectus.
- None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.
- Further, neither our Promoters, the promoter group members nor our Group Company have been declared as a willful defaulter or a fraudulent borrower by the RBI or any other government authority nor there are any violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

## **CHANGE IN CONTROL**

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.

## **INTEREST OF PROMOTERS:**

Our Promoters are interested in our Company to the extent that they are the Promoters of our Company and to the extent of their respective shareholding directly or indirectly along with that of their relatives in our Company, their directorship in our Company (wherever applicable), interest payable on the loans provided to our Company and the dividends payable, if any, and any other distributions in respect of his shareholding in our Company or the shareholding of his relatives in our Company. For further details of our Promoter’s shareholding, see “Capital Structure” on page 63 of this DRHP. For further details of interest of our Promoter in our Company, see “Restated Financial Statements” on page 172 of this DRHP.

Our Promoter is also interested to the extent of remuneration, benefits, reimbursement of expenses, sitting fees and commission payable to him and his relative by Company. For further details, see “Our Management” page 151 of this

DRHP. No sum has been paid or agreed to be paid to our Promoter or to any firm or company in which our Promoter is interested as a member, in cash or shares or otherwise by any person either to induce our Promoter to become, or qualify them as a director, or otherwise for services rendered by our Promoter or by such firm or company in connection with the promotion or formation of our Company.

Our Promoter is not interested in any ventures that is involved in any activities similar to those conducted by our Company.

Except as stated in this section and the section titled “Restated Financial Statements” on page 172 of this DRHP, our Promoter does not have any interest in our Company other than as a Promoter.

#### **INTEREST IN PROMOTION OF OUR COMPANY**

The Promoters are interested to the extent of their shareholding in the Company, and any dividend and distributions which may be made by the Company in future. The related party transactions are disclosed in “Financial information of our company” and “Our Management – Interest of Directors and Interest of Key Managerial Personnel” on pages 172 & 151 of this Draft Red Herring Prospectus, respectively.

#### **INTEREST IN THE PROPERTY OF OUR COMPANY**

Except as mentioned in this Draft Red Herring Prospectus, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us till date of filing the Prospectus with RoC.

#### **INTEREST IN TRANSACTIONS FOR ACQUISITION OF LAND AND BUILDING FOR SETTING UP OF FACTORY**

Promoters are interested to the extent of shareholding in any property acquired or proposed to be acquired by or of our Company.

#### **OTHER INTEREST OF PROMOTER**

Our Promoters Mr. Manoj Kumar Gupta and Ms. Sindhu Gupta are interested to the extent of their shareholding in our Company. Our Promoters may be deemed to be interested to the extent of their remuneration, as per the terms of their appointment and reimbursement of expenses payable to them. Our Promoters may also be deemed interested to the extent of any unsecured loan given/taken by them to/from our Company.

For transaction in respect of loans and other monetary transaction entered in past please refer chapter titled “Restated Financial Statements” on page 172 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date 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 them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

#### **EXPERIENCE OF PROMOTERS IN THE LINE OF BUSINESS**

Our Promoters Mr. Manoj Kumar Gupta and Ms. Sindhu Gupta have experience of 20 years. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

#### **RELATED PARTY TRANSACTIONS**

For the transactions with our Promoter Group entities please refer to chapter titled “Restated Financial Statements” on page no 172 of this Draft Red Herring Prospectus.

Except as stated in chapter titled “Restated Financial Statements” on page 172 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group do not have any other interest in our business.

### **PAYMENT OR BENEFIT TO PROMOTERS OF OUR COMPANY**

For details of payments or benefits paid to our Promoters, please refer to the chapter titled “Our Management” beginning on page 151 of this Draft Red Herring Prospectus. Also refer “Restated Statement of Related Party Transactions” under chapter titled “Restated Financial Statements” on page 172 of this Draft Red Herring Prospectus.

### **COMPANIES / FIRMS FROM WHICH THE PROMOTERS HAVE DISASSOCIATED THEMSELVES IN THE LAST (3) THREE YEARS**

None of our Promoters has 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.

### **OTHER VENTURES OF OUR PROMOTERS**

Save and except as disclosed in this section titled “Our Promoters and Promoter Group” and “Group Companies” beginning on page 166 & 228 respectively of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on date of this Draft Red Herring Prospectus.

### **LITIGATION DETAILS PERTAINING TO OUR PROMOTERS**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 221 of this Draft Red Herring Prospectus.

### **Material Guarantees Given to Third Parties**

Except as stated in the chapter titled “Restated Financial Statements” beginning on page 172 of this Draft Red Herring Prospectus, respectively, there are no material guarantees given by our Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

### **OUR PROMOTER GROUP**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

#### **1. Natural Persons who are part of the Promoter Group :**

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

<b>Relationship with Promoter</b>	<b>Mr. Manoj Kumar Gupta</b>	<b>Ms. Sindhu Gupta</b>
<b>Father</b>	Shri Mahesh Chandra Gupta	Shri Vishwanath Gupta
<b>Mother</b>	Late Smt. Rama Gupta	Smt. Kishori Devi
<b>Spouse</b>	Ms. Sindhu Gupta	Mr. Manoj Kumar
<b>Brother(s)</b>	Prasenjit Kumar Gupta	Nishant Gupta
	-	Prashant Gupta
<b>Sister(s)</b>	Smt. Renu Gupta	-
	Smt. Rashmi Gupta	
	Smt. Reena Gupta	
<b>Children</b>	Yash Gupta	Yash Gupta
	Ishika Gupta	Ishika Gupta
<b>Spouse’s Father</b>	Shri Vishwanath Gupta	Shri Mahesh Chandra Gupta

<b>Spouse's Mother</b>	Smt. Kishori Devi	Late Smt. Rama Gupta
<b>Spouse's Brother(s)</b>	Nishant Gupta	Prasenjit Kumar Gupta
	Prashant Gupta	-
<b>Spouse's Sister(s)</b>	-	Smt. Renu Gupta
	-	Smt. Rashmi Gupta
	-	Smt. Reena Gupta

**2. Corporate Entities forming part of Promoter Group: Nil**

<b>Nature of Relationship</b>	<b>Name of Entities</b>
Subsidiary or holding company of Promoter Company.	Nil
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	Nil

**3. Companies, Proprietary concerns, HUF's related to our Promoters**

<b>Nature of Relationship</b>	<b>Name of Entities</b>
Any Body Corporate in which twenty percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives are a member.	NIL
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	NIL
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than twenty percent.	NIL

**4. Person whose shareholding is aggregated under the heading "Shareholding of the Promoter Group"**

<b>Name of Entities / Person</b>
NIL

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp)(v) of SEBI (ICDR) Regulations 2018.

For further details on our Group Companies, please refer chapter titled "Group Entities of our Company" beginning on Page No. 228 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 the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Further, our Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the operations, ongoing or planned business expansion or other factors. As a result, we may not declare dividend in the foreseeable future.

Our Company has not declared any dividend on the Equity Shares in last five years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

**SECTION IX- FINANCIAL STATEMENTS**  
**RESTATED FINANCIAL STATEMENT**

**INDEPENDENT AUDITOR’S REPORT ON RESTATED FINANCIAL STATEMENT**

**(As required by Section 26 of the Companies Act, 2013 read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014**

**To,**  
**The Board of Directors,**  
**Envirotech Systems Limited,**  
A-29, Block-A , Shyam Vihar Phase-I,  
New Delhi 110043 India

Dear Sir,

**Report on Restated Financial Statement**

1. We have examined the attached Restated Statement of Assets and Liabilities of **Envirotech Systems Limited** as at 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021, the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the period ended on 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021 (collectively the “Restated Summary Statements” or Restated Financial Statements”). These Restated summary Statements have been prepared by the company and as approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on the SME Platform of NSE Limited (“NSE Emerge”).
2. These Restated Summary Statements has been prepared in accordance with the requirements of:
  - i. Section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of companies Act, 2013, as amended (hereinafter referred to as the “Act”) and
  - ii. Part-I of Chapter-IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018, as amended (The “SEBI Regulation”) issued by the SEBI.
  - iii. The terms of reference to our engagements with the company requesting us to carry out the assignment, in connection with the Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE Limited (“IPO” of “SME IPO”): and
  - iv. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“Guidance Note”).
  - v. In terms of Schedule-VI of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts, We, **HCO & Co.**, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold valid **Certificate No. 013413 dated 13.08.2021** issued by the “Peer Review Board” of the ICAI.
3. The Restated Summary Statements and Financial information of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended on 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021 which has been approved by the Board of Directors.
4. Audit of Financial Statements for the period ended 31st December 2023, 31st March 2023, 31st March 2022 by M/s Vishal Kaushal & Co., Chartered Accountants. and accordingly reliance has been placed on

the financial information examined by them for the said years. The Financial Report included for these years is based solely on the report submitted by them. We have carried out the restatement of the financial statements for the period ended 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021 as required by SEBI regulations.

5. Financial Information as per Audited Financial Statements:

1. We have examined:
  - a) The attached Restated Statements of Assets and Liabilities of the company, as at 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021. (Annexure I);
  - b) The attached Restated Statement of Profits and Losses of the company for the period ended on 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021 (Annexure II);
  - c) The attached Restated Statement of Cash Flows of the company for period ended on 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021. (Annexure III);
  - d) The Significant Accounting Policies adopted by the company and notes to Restated Financial Statements along with adjustments on account of audit qualifications/ adjustments /regroupings. (Annexure IV);
2. In accordance with the requirements of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
  - a) The “Restated Statement of Assets and Liabilities” as set out in Annexure I to this report, of the company as at 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021 are prepared by the company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated 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 the Restated Summary Statements as set out in Annexure IV to this report.
  - b) The “Restated Statement of Profit and Loss” as set out in Annexure II to this report, of the company for the period ended on 31st December 2023, 31st March 2023, 31st March 2022 and 31<sup>st</sup> March are prepared by the company and approved by the Board of Directors. This Statement of Profit and Loss, as restated 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 the Restated Summary Statements as set out in Annexure IV to this Report.
  - c) The “Restated Statement of Cash Flow “as set out in Annexure III to this report, of the company for the period ended on 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021 are prepared by the company and approved by the Board of Directors. This Statement of Cash flow, as restated 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 the Restated Summary Statements as set out in Annexure IV to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by the Statutory Auditor of the Company for the period

ended 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021, we are of the opinion that “Restated Financial Statements” or “Restated Summary Statements” have been made after incorporating:

- a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all reporting periods.
- b) Adjustments for any prior period material amounts in the respective financial years have been made to which they relate; and
- c) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped 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 the Restated Summary Statements as set out in Annexure IV to this Report.
- d) Adjustments in Financial Statements have been made in accordance with the correct accounting policies.
- e) There is no change in accounting policies, which needs to be adjusted in the “Restated Financial Statements”. There is no revaluation reserve, which needed to be disclosed separately in the Restated Financial Statement in the respective financial years.
- f) The company has not paid any dividend on its equity shares till 31<sup>st</sup> December 2023.
- g) The Company has not made any provisions for Gratuity to be payable to employees.

6. Other Financial Information:

1. We have also examined the following standalone financial information as set out in annexure prepared by the Management and as approved by the Board of directors of the company for period ended 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021

Restated Statement of Assets and Liabilities	Annexure I
Restated Statement of Profit & Loss	Annexure II
Restated Cash Flow Statement	Annexure III
Significant Accounting Policy & Notes to the Restated Summary Statements	Annexure IV
Restated Statement of Share Capital, Reserves and surplus	Annexure-A
Restated statement of Long term and Short term Borrowings	Annexure-B, B(A)
Restated Statement of Deferred Tax (Assets)/Liabilities	Annexure-C
Restated Statement of Long Term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities and Short Term Provisions	Annexure-F
Restated Statement of Fixed Assets	Annexure-G
Restated Statement of Non- Current Investments	Annexure-H
Restated Statement Long term Loans and Advances	Annexure-I
Restated Statement of Inventory	Annexure-J
Restated Statement of Trade Receivables	Annexure-K
Restated Statement of Cash & Cash Equivalents	Annexure-L
Restated Statement of Short-Term Loans and Advances	Annexure-M
Restated Statement of Other Current Assets	Annexure-N
Restated Statement of Other Income	Annexure-O
Restated Statement of Turnover	Annexure-P
Restated Statement of Mandatory Accounting Ratios	Annexure-Q
Restated Statement of Related party transaction	Annexure-R

Restated Statement of Capitalization	Annexure-S
Restated Statement of Tax shelter	Annexure-T
Restated Statement of Contingent liabilities	Annexure-U
Restated Statement of Current Investment	Annexure-V
Details of Trade Payables as per Schedule III	Annexure TR
Details of Trade Receivables as per Schedule III	Annexure TP
Restated Statement of Revenue	Annexure-SR
Restated Statement of Employee Benefit Expenses	Annexure-EB
Restatement Statement of Finance Costs	Annexure-FC
Restated Statement of Other Expenses	Annexure-OC
Restated Statement of Ratio Analysis	Annexure-RA

2. The Restated Financial Information contains all the disclosures required by the Accounting Standards notified under the Companies Act, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Act.
3. We have carried out restatement of the financial statements for the period ended 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021 as required by SEBI regulations. We have not audited any financial statements of the company as of any date of for any period. Accordingly, we do not express any opinion on the financial position, results or cash flows of the company as of any date or for any period
4. The preparation and presentation of the financial statements referred to above are based on the Audited financial statements of the company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the company.
5. In our opinion, the above financial information contained in Annexure I to III and Annexure A to V of this report read along with the restated statement of Significant Accounting Policies and Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agree with you.
6. Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
7. The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for proposed Issue of Equity Shares of the company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

### **Auditor's Responsibility**

7. Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, there stated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;
  - a) In the case of Restated Statement of Assets and Liabilities of the Company as at 31st December 2023, 31st March 2023, 31st March 2022 and 31st March 2021
  - b) In the case of the Restated Statement of Profit and Loss, of the profit of the Company for the Years ended on that date; and
  - c) In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the Years ended on that date.

**For, M/s HCO & Co.**  
**Chartered Accountants**  
**Firm Registration No. : 001087C**

**Sd/-**  
**CA Neeraj Bansal**  
**Partner**  
**Membership No.: 400248**  
**Date: 17<sup>th</sup> January 2024**  
**Place: New Delhi**  
**UDIN : 24400248BKDNRL5694**

**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

**A. BACKGROUND**

Our Company was originally incorporated on February 09, 2007 as a private limited Company under the name and style of “ENVIROTECH GENSETS PRIVATE LIMITED” under the provisions of Companies Act, 2013 with the Registrar of Companies, NCT of Delhi & Haryana vide registration no. 242760. Pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on June 01, 2009, the name of our Company was changed to “ENVIROTECH SYSTEMS PRIVATE LIMITED” and a fresh certificate of incorporation dated June 10, 2009 was issued to our Company by the Registrar of Companies, NCT of Delhi and Haryana. Subsequently, pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on May 04, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to “ENVIROTECH SYSTEMS LIMITED” and a fresh certificate of incorporation dated June 03, 2022 was issued to our Company by the Registrar of Companies, NCT of Delhi and Haryana. The Corporate Identification Number of our Company is U31101DL2007PLC159075 Envirotech Systems Limited is a leading acoustic engineering organization specializing in noise measurement and control for industrial and commercial applications. Incorporated in 2007, we have expanded our capabilities to include innovative acoustical product design and manufacturing. With over 150 employees and a network of technical experts, we offer cost-effective solutions for various acoustical challenges in industrial, commercial, architectural, and environmental markets

**B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -**

The Restated Financial Statements have prepared under the historical cost basis of accounting and evaluated on a going-concern basis, with revenue and expenses accounted for on their accrual to comply in all material aspect with the applicable accounting policies and applicable Accounting Standards notified by Section 133 of the Companies Act, 2013.

**2. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized.

**3. FIXED ASSETS**

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

**4. DEPRECIATION**

Depreciation on fixed assets has been charged on written down value basis for the assets, pro-rata for the period of use, as per method specified in Schedule-II of The Companies Act, 2013 for the relevant periods.

**5. BORROWING COSTS**

Borrowing costs that is directly attributable to the acquisition or construction of a qualifying asset is considered as part of the cost of the asset. All other borrowing costs are treated as period cost and charged to the profit and loss account in the year in which incurred.

**6. IMPAIRMENT OF ASSETS**

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

## **7. INVESTMENTS**

The company is in process of acquiring a new manufacturing facility which would greatly enhance the overall manufacturing capacity of the company, the company has paid an advance amount of Rs 251.50 Lakhs, which has been treated as investment in the books of accounts.

## **8. INVENTORIES**

The company is into manufacturing of acoustic insulations products such as, Acoustic Enclosure, Noise Test Booth, Engine Test Room Acoustic, Anechoic Chamber, Noise Barrier, Acoustic louver, Acoustic Doors, etc.

## **9. REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

## **10. FOREIGN CURRENCY TRANSACTIONS**

Company has made export sale transactions during the financial year which is convertible into foreign currency transaction and others.

## **11. EMPLOYEE BENEFITS**

Employee benefit expenses include Salary to Staff, Director Remuneration & Staff Welfare Expenses. Besides this, there is no other employee benefits expense incurred by the Company.

## **12. ACCOUNTING FOR TAXES ON INCOME**

- a) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961 after considering tax allowances and exemptions.
- b) Deferred tax on timing differences between taxable and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date.

## **13. CONTINGENT LIABILITIES AND PROVISIONS**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

The contingent liabilities are mentioned in Annexure -U of Restated financials statements.

## **14. EARNINGS PER SHARE:**

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary/exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing diluted earnings per share comprises weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares or share split, the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

## **15. CASH FLOW**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of 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. Cash flows from operating, investing and financing activities of the company are segregated accordingly.

## **16. GOVERNMENT GRANT**

The company had not received any government grant.

## **C. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies.

## **D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

1. Financial statements for the year ended 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2023, and 31<sup>st</sup> December 2023 are prepared as per Schedule III of The Companies Act, 2013.
2. The financial statement including financial information has been prepared after making such regroupings and adjustments considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same those appearing in the respective audited financial statements for the relevant years.
3. **Employee benefits:**  
Employee Benefits expenses comprise of Director's Remuneration and Salary & Wages, ESI, PF & other benefits to employees paid by the company.
4. **Segment Reporting (AS17)**  
The company is required to disclose the information required by Accounting Standard-17. No separate segments have, however, been reported as the company does not have more than one business segments within the meaning of Accounting Standard-17, which differ from each other in risk and reward.
5. **Provisions, Contingent Liabilities and Contingent Assets (AS 29)**  
There are no contingent liabilities as on 31<sup>st</sup> December 2023 except as mentioned in Annexure-U, for any of the years covered by the statements.
6. **Related Party Disclosure (AS 18)**  
Related party transactions are already reported as per AS-18 of the Companies (Accounting Standards) Rules, 2006 as amended, in the Annexure-R of the enclosed financial statements.
7. **Accounting for Taxes on Income (AS 22)**  
Deferred Tax liability/Asset in view of Accounting Standard-22:" Accounting for Taxes on Income" as at the end of the year is reported as under:
8. **Earnings Per Share (AS 20):**  
Earnings per share have been calculated is already reported in the Annexure-Q of the enclosed financial statements.
9. **MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS,2018]**  
Appropriate adjustments have been made in the restated financial statements, whenever required, by Re-classification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule III and Accounting Standards.

### **Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

**Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**Amounts in the Restated financial statements**

Amounts in the Restated financial statements are in lakhs unless stated otherwise. Figures in brackets indicate negative values.

**For, HCO & Co.**

**Chartered Accountants**

**Firm Registration No.: 001087C**

**Sd/-**

**CA Neeraj Bansal**

**Partner**

**Membership No.: 400248**

**Date: 17<sup>th</sup> January 2024**

**Place: New Delhi**

**UDIN: 24400248BKDNRL5694**

## ANNEXURE - I

RESTATED STATEMENT OF ASSETS AND  
LIABILITIES

(Amt in Lacs.)

Particulars		As at			
		31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
Share Capital	A	50.00	50.00	50.00	50.00
Reserves and Surplus	A	1,452.15	611.73	354.40	248.67
<b>Share Application Money Pending Allotment</b>		-	-	-	-
<b>Non-Current Liabilities</b>					
Long-term Borrowings	B	286.25	655.45	263.14	242.42
Deferred tax liabilities (Net)	C	6.18	5.08	5.94	6.73
Other Long Term Liabilities		-	-	-	-
Long-term Provisions	D	-	-	-	-
<b>Current Liabilities</b>					
Short-term Borrowings	B	547.75	260.67	276.61	301.21
Trade Payables	E	297.05	450.65	275.59	168.69
Other Current Liabilities	F	279.76	146.05	121.80	56.10
Short-term Provisions	F	275.88	96.10	39.04	22.63
<b>Total</b>		<b>3,195.02</b>	<b>2,275.73</b>	<b>1,386.51</b>	<b>1,096.44</b>
<b>II. Assets</b>					
<b>Non-Current Assets</b>					
Fixed assets					
(i) Tangible Assets	G	992.56	999.00	356.71	332.37
(ii) Intangible Assets	G	-	-	-	-
(iii) Capital Work-In-Progress		-	-	-	-
(iv) Intangible Assets Under Development		-	-	-	-
Non-Current Investments	H	-	-	-	-
Deferred Tax Assets (Net)	C	-	-	-	-
Long-term Loans and Advances	I	-	-	-	-
Other Non-Current Assets		6.75	3.72	3.44	2.97
<b>Current assets</b>					
Current Investments	V	-	-	-	-
Inventories	J	333.98	24.89	43.29	56.71
Trade Receivables	K	1,413.44	1,169.73	621.78	466.77
Cash and Cash Equivalents	L	16.77	18.61	13.24	25.94
Short-term Loans and Advances	M	395.21	10.22	313.33	180.58
Other Current Assets	N	36.31	49.55	34.73	31.10
<b>Total</b>		<b>3,195.02</b>	<b>2,275.73</b>	<b>1,386.51</b>	<b>1,096.45</b>

**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amt in Laacs.)

Particulars	Notes	For the Year/Period ended			
		31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations (Gross)	<b>P</b>	2,976.52	2,715.49	1,751.81	941.56
Installation charges		94.04	116.29	58.84	39.67
<b>Net Revenue From Operation</b>		<b>3,070.56</b>	<b>2,831.78</b>	<b>1,810.65</b>	<b>981.23</b>
Other income	<b>O</b>	27.12	43.00	38.90	29.24
<b>Total Revenue</b>	<b>i</b>	<b>3,097.67</b>	<b>2,874.78</b>	<b>1,849.54</b>	<b>1,010.47</b>
Expenses:					
Cost of Raw Material		1,657.03	1,611.76	1,128.03	430.08
Changes in inventories of finished goods, work in progress and stock-in- trade		(221.36)	11.23	8.09	18.44
Employee benefits expense		297.20	317.60	221.51	193.91
Finance costs		49.20	41.09	40.49	39.93
Depreciation and amortization expense		24.51	12.06	12.01	13.23
Other expenses		173.70	528.48	295.43	222.45
<b>Total Expenses</b>	<b>ii</b>	<b>1,980.27</b>	<b>2,522.21</b>	<b>1,705.57</b>	<b>918.04</b>
<b>Profit before exceptional and extraordinary items and tax (i-ii)</b>	<b>iii</b>	<b>1,117.40</b>	<b>352.57</b>	<b>143.98</b>	<b>92.44</b>
Exceptional/Prior Period item		-	-	-	-
Profit before extraordinary items and tax		<b>1,117.40</b>	<b>352.57</b>	<b>143.98</b>	<b>92.44</b>
Extraordinary item		-	-	-	-
<b>Profit Before Tax</b>		<b>1,117.40</b>	<b>352.57</b>	<b>143.98</b>	<b>92.44</b>
Provision for Tax					
- Current Tax		275.88	96.10	39.04	22.63
(2) Wealth Tax		-	-	-	-
- Deferred Tax Liability / (Asset)		1.10	0.87	0.78	(0.11)
- MAT Credit Entitlement		-	-	-	-
- MAT Credit Utilised		-	-	-	-
-Short/(Excess) Tax adjustment of prior years		-	-	-	-
<b>Restated profit after tax for the period from continuing operations</b>		<b>840.42</b>	<b>257.34</b>	<b>105.73</b>	<b>69.70</b>
Profit/ (Loss) from Discontinuing operation		-	-	-	-
Tax expenses of discontinuing operations		-	-	-	-
<b>Restated profit for the period</b>		<b>840.42</b>	<b>257.34</b>	<b>105.73</b>	<b>69.70</b>

## ANNEXURE - III

## RESTATED CASH FLOW STATEMENT

(Amt in Lacs.)

Particulars	For the Year/Period ended			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax	1,117.40	352.57	143.98	92.44
Adjustment for Non-cash expenses:				
Depreciation	24.51	12.06	12.01	13.23
<b>Operating profit before working capital changes</b>	<b>1,141.91</b>	<b>364.63</b>	<b>155.99</b>	<b>105.67</b>
Adjustment for :				
(Increase)/Decrease in Inventories	(309.10)	18.41	13.42	(20.41)
(Increase)/Decrease in Trade Receivables	(243.71)	(547.95)	(155.01)	57.61
(Increase)/Decrease in Other Current Assets	13.24	(14.82)	(3.63)	33.12
Increase/(Decrease) in trade payables	(153.59)	175.06	106.89	(267.64)
Increase/(Decrease) in other current liabilities	133.71	34.60	62.15	22.40
	<b>582.46</b>	<b>29.92</b>	<b>179.81</b>	<b>(69.25)</b>
<b>Cash generated from / (used in) operations</b>	<b>582.46</b>	<b>29.92</b>	<b>179.81</b>	<b>(69.25)</b>
Income Tax paid	(275.88)	(39.04)	(23.56)	14.71
Interest income	(0.69)	(0.68)	(1.44)	(0.98)
Net cash generated from/(used in) operating activities - (A)	<b>305.89</b>	<b>(9.79)</b>	<b>154.81</b>	<b>(55.52)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of tangible fixed assets	(18.07)	(654.36)	(36.35)	(54.02)
Interest Income	0.69	0.68	1.44	0.98
Investment in Non Current Assets	(3.03)	(0.28)	0.47	0.54
<b>Net cash (used in) Investing Activities - (B)</b>	<b>(20.41)</b>	<b>(653.96)</b>	<b>(34.45)</b>	<b>(52.50)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings	(381.42)	392.31	20.72	0.95
Proceeds from Short Term Borrowings	299.30	(26.28)	(21.05)	288.04
Proceeds from Short Term Loans & Advances	(384.99)	303.11	(132.74)	(177.24)
<b>Net cash(used in) / from financing activities - (C)</b>	<b>(467.11)</b>	<b>669.13</b>	<b>(133.07)</b>	<b>111.75</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(181.63)</b>	<b>5.38</b>	<b>(12.71)</b>	<b>3.73</b>
Cash and cash equivalents at the beginning of the year	18.61	13.24	25.94	22.21
Cash and cash equivalents at the end of the year	(163.01)	18.61	13.24	25.94
Cash and cash equivalents at the end of year comprises :				
<b>Components of cash and cash equivalents:</b>				
Cash on hand	0.92	1.26	0.36	1.08
Balances with scheduled banks:				
In current accounts	0.21	0.64	0.41	7.55
in Deposits with Scheduled Bank	15.64	16.71	12.46	17.32
<b>Total Cash and cash equivalents</b>	<b>16.77</b>	<b>18.61</b>	<b>13.24</b>	<b>25.94</b>

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

2. Figures in Brackets represents outflow.

3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures I, II and III.

**ANNEXURE – A**  
**STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS** (Amt in Lacs.)

Particulars	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Share Capital</b>				
<b>Authorised Share Capital</b>				
Equity shares of Rs.10 each	500.00	500.00	500.00	500.00
<b>Issued, Subscribed and Paid up Share Capital</b>				
Equity Shares of Rs. 10 each fully paid up	50.00	50.00	50.00	50.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>
<b>Reserves and Surplus</b>				
<b>A) Capital Reserves</b>				
Opening Balance	-	-	-	-
Add : Addition during the year	-	-	-	-
<b>Closing Balance (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B) Securities Premium</b>				
Opening Balance	-	-	-	-
Add : Addition during the year	-	-	-	-
Less : Bonus Shares Issued	-	-	-	-
<b>Closing Balance (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C) Surplus/(Deficit) in Profit and Loss account</b>				
Opening Balance	611.73	354.40	248.67	178.97
Add: Profit for the year	840.42	257.34	105.73	69.70
Less:- Bonus Share Issued	-	-	-	-
<b>Closing Balance (C)</b>	<b>1,452.15</b>	<b>611.73</b>	<b>354.40</b>	<b>248.67</b>
<b>Total Reserve and Surplus (A+B+C)</b>	<b>1,452.15</b>	<b>611.73</b>	<b>354.40</b>	<b>248.67</b>

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).
2. Figures in Brackets represents outflow.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures I, II and III.  
As per our report of even date.

**6. The reconciliation of the number of shares outstanding as at: -**

Particulars	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Number of shares at the beginning	5,00,000	5,00,000	5,00,000	5,00,000
Add: Right Shares issued during the year	-	-	-	-
Add: Bonus Shares issued during the year	-	-	-	-
<b>Total Shares</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>5,00,000</b>
<b>Number of shares at the end</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>5,00,000</b>

**7. The detail of shareholders holding more than 5% of shares as at: -**

Name of Share Holder	As at ( No of Shares)			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Manoj Kumar	3,54,620	3,54,620	3,54,620	3,55,000
Sindhu Gupta	1,45,000	1,45,000	1,45,000	1,45,000
-	-	-	-	-

**ANNEXURE - B**

**STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**

(Amt in Lacs.)

Particulars	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Long Term Borrowings</b>				
From Banks/Financial Institutions (Secured)	-	-	-	-
Term Loans	280.25	325.23	38.73	59.52
<b>Loans and advances (Unsecured)</b>				
From Promoters/Directors/Related Parties	5.99	252.43	153.04	58.91
From others	-	-	-	-
From Shareholders & Body Corporates	-	77.79	71.37	123.99
<b>Total</b>	<b>286.25</b>	<b>655.45</b>	<b>263.14</b>	<b>242.42</b>
<b>Current portion of long-term borrowings, included under Other current liabilities</b>				
Term Loans and Car Loan	-	-	-	-
<b>Short Term Borrowings</b>				
From Banks (Secured)	548.25	247.53	273.50	285.72
Bank Working Capital Loan	-	12.22	1.87	5.43
From Banks	(0.50)	0.93	1.23	10.07
<b>Total</b>	<b>547.75</b>	<b>260.67</b>	<b>276.61</b>	<b>301.21</b>
The above amount includes:				
<b>Secured Borrowings</b>	<b>828.50</b>	<b>572.76</b>	<b>312.23</b>	<b>345.23</b>
<b>Unsecured Borrowings</b>	<b>5.49</b>	<b>343.36</b>	<b>227.52</b>	<b>198.39</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

#### ANNEXURE - B (A)

##### STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

Details of Unsecured Loans outstanding as at the end of the respective year from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies Unsecured Loans from Promoters/Directors are not interest bearing and all are taken without any preconditions attached towards repayments. Rate of Interest- 0.00 %

Particulars	As at
	31-Dec-23
Opening Balance Cr/(DR)	655.45
Amount Received/credited	-
Amount repaid/adjusted	369.20
Outstanding Amount	286.25

#### ANNEXURE – C

##### STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(Amt in Lacs.)

Particulars	For the year ended			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Opening Balance (A)				
Opening Balance of Deferred Tax (Asset) / Liability	5.08	5.94	6.73	6.62
Current Year Provision (B)				
(DTA) / DTL on Depreciation	1.10	(0.87)	(0.78)	0.11
(DTA) / DTL on Unabsorbed Dep/Bonus Expenses	-	-	-	-
<b>Closing Balance of Deferred Tax (Asset) / Liability (A+B)</b>	<b>6.18</b>	<b>5.08</b>	<b>5.94</b>	<b>6.73</b>

Note: 1. The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures I, II and III .

#### ANNEXURE – D

##### STATEMENT OF LONG TERM PROVISIONS

(Amt in Lacs.)

Particulars	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Provision for Employee Benefits				
Gratuity Provision	-	-	-	-
Other Provision	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ANNEXURE - E

## STATEMENT OF TRADE PAYABLES

(Amt in Lacs.)

PARTICULARS	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Trade Payables</b>				
Micro, Small and Medium Enterprises	5.60	18.36	-	-
Others	291.45	432.29	275.59	168.69
<b>Total</b>	<b>297.05</b>	<b>450.65</b>	<b>275.59</b>	<b>168.69</b>

## Notes

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

The Details of Trade Payables are there in Annexure-TP

**Annexure-TP**

Particulars	For the year ended			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>(1) Undisputed considered Good</b>				
Less than 1 year	2,93,17,253	4,45,63,583	1,95,29,223	1,68,69,444
1-2 years	1,53,117	1,21,845	80,29,293	-
2-3 years	2,35,032	3,79,406	-	-
More than 3 years				
<b>Total (1)</b>	<b>2,97,05,402</b>	<b>4,50,64,834</b>	<b>2,75,58,516</b>	<b>1,68,69,444</b>
<b>(2) Undisputed considered Doubtful</b>				
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(3) Disputed considered Good</b>				
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total (3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(4) Disputed considered Doubtful</b>				

Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total (4)</b>	-	-	-	-
<b>Overall Total (1+2+3+4)</b>	<b>2,97,05,402</b>	<b>4,50,64,834</b>	<b>2,75,58,516</b>	<b>1,68,69,444</b>

**ANNEXURE - F**  
**STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS** (Amt in Lacs.)

PARTICULARS	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Other Current Liabilities				
Statutory dues payable	71.52	49.11	24.64	7.93
Expenses payable	23.48	18.52	17.89	12.26
Advances from Customers	166.91	62.36	58.22	22.06
Other Payables	3.75	10.97	15.94	8.75
Others	14.10	5.10	5.10	5.10
<b>Total</b>	<b>279.76</b>	<b>146.05</b>	<b>121.80</b>	<b>56.10</b>
Short-Term Provisions				
Opening Balances of Provision	-	-	-	-
Provision for Income Tax	275.88	96.10	39.04	22.63
Provision for MAT	-	-	-	-
Provision for Dividend	-	-	-	-
Provision for Gratuity	-	-	-	-
<b>Total</b>	<b>275.88</b>	<b>96.10</b>	<b>39.04</b>	<b>22.63</b>

Notes

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.

**ANNEXURE - G**  
**STATEMENT OF FIXED ASSETS** (Amt in Lacs.)

PARTICULARS	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>FIXED ASSETS</b>				
Tangible Assets	992.56	999.00	356.71	332.37
Capital work-in-progress	-	-	-	-
Intangible Assets under Development	-	-	-	-
Non-Current Investments	-	-	-	-
Deferred Tax Assets (Net)	-	-	-	-
Long Term Loans and Advances	-	-	-	-
Other Non-current Assets	6.75	3.72	3.44	-

<b>Total Tangible Assets</b>	<b>999.31</b>	<b>1,002.73</b>	<b>360.15</b>	<b>332.37</b>
<b>(ii) Intangible Assets</b>				
Software	-	-	-	-
<b>Total Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>999.31</b>	<b>1,002.73</b>	<b>360.15</b>	<b>332.37</b>

Notes.

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.

#### ANNEXURE - H

#### STATEMENT OF NON-CURRENT INVESTMENTS

(Amt in Lacs.)

Particulars	As at							
	31-Dec-23		31-Mar-23		31-Mar-22		31-Mar-21	
	Amount	No of Shares						
Non Current Investment	-	-	-	-	-	-	-	-
(Other Than Trade, at Cost)	-	-	-	-	-	-	-	-
Investment in Un Listed Equity Shares	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Aggregate Value of Quoted Investment	-	-	-	-	-	-	-	-
Aggregate Value of Un Quoted Investment	-	-	-	-	-	-	-	-

Notes:

1. The figures mentioned in the bracket represent absolute number of shares.

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.

#### STATEMENT OF LONG-TERM LOANS AND ADVANCES

(Amt in Lacs.)

PARTICULARS	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Unsecured, Considered Good unless otherwise stated				
Security Deposit	-	-	-	-
Capital Advances	-	-	-	-
Other Advances	-	-	-	-
Loans & Advance to related Parties	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note-:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

#### ANNEXURE - J

##### STATEMENT OF INVENTORIES

(Amt in Lacs.)

PARTICULARS	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Raw Material	64.98	7.24	14.42	19.74
Packaging Material	-	-	-	-
Work-in-Process and Semi Finished Goods	120.45	8.30	19.47	18.96
Finished Goods	148.55	9.34	9.40	18.01
Consumable items, Stores & Spares Parts	-	-	-	-
Other Consumables	-	-	-	-
<b>Total</b>	<b>333.98</b>	<b>24.89</b>	<b>43.29</b>	<b>56.71</b>

#### ANNEXURE - K

##### STATEMENT OF TRADE RECEIVABLES

(Amt in Lacs.)

	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	0.00	0.00	0.00	0.00
Others	113.59	141.64	57.75	72.91
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.		0.00	0.00	0.00
Others	1299.85	1028.09	564.03	393.86
<b>Total</b>	<b>1413.44</b>	<b>1169.73</b>	<b>621.78</b>	<b>466.77</b>

Note:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
4. Details of Trade Receivables are there in Annexure-TR

**Annexure – TR**

**AGING OF TRADE RECIVABLES**

Particulars	For the year ended			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>(1) Undisputed considered Good</b>				
Less than 1 year	12,99,85,121	10,96,93,124	4,50,29,294	3,93,86,073
1-2 years	69,35,526	51,80,192	9,87,118	72,91,021
2-3 years	44,23,780		1,22,61,585	
More than 3 years	-			
<b>Total (1)</b>	<b>14,13,44,427</b>	<b>11,48,73,316</b>	<b>5,82,77,997</b>	<b>4,66,77,094</b>
<b>(2) Undisputed considered Doubtful</b>				
Less than 1 year	-	-	-	-
1-2 years	-	21,00,000	39,00,000	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>21,00,000</b>	<b>39,00,000</b>	<b>-</b>
<b>(3) Disputed considered Good</b>				
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total (3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(4) Disputed considered Doubtful</b>				
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total (4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overall Total (1+2+3+4)</b>	<b>14,13,44,427</b>	<b>11,69,73,316</b>	<b>6,21,77,997</b>	<b>4,66,77,094</b>

**ANNEXURE - L**

**STATEMENT OF CASH & CASH  
EQUIVALENTS**

(Amt in Lacs.)

PARTICULARS	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Cash in Hand (As Certified by Management)	0.92	1.26	0.36	1.08
Balances with Banks				
- In Current Accounts	0.21	0.64	0.41	7.55
- In Bank Deposits	15.64	16.71	12.46	17.32
<b>Total</b>	<b>16.77</b>	<b>18.61</b>	<b>13.24</b>	<b>25.94</b>

Note:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.
3. Balances in Bank deposits are under lien with Banks against Bank Guarantee issued favouring to the Customers of Company.

## ANNEXURE - M

STATEMENT OF SHORT-TERM LOANS AND  
ADVANCES

(Amt in Lacs.)

PARTICULARS	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Unsecured, Considered Good unless otherwise stated				
Advance Recoverable in Cash or Kind	70.28	6.95	26.54	4.27
Advance to Employees	73.43	3.27	0.47	-
Advance against Office Purchase	-	-	264.52	176.31
Advance against Factory Purchase	251.50	-	21.80	-
<b>Total</b>	<b>395.21</b>	<b>10.22</b>	<b>313.33</b>	<b>180.58</b>

Note:-

1. None of the Short term loans and advances are recoverable from Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.
4. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

## ANNEXURE - N

## STATEMENT OF OTHER CURRENT ASSETS

(Amt in Lacs.)

PARTICULARS	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Advance Tax	30.00	25.00	20.00	10.00
TDS Receivable	4.22	22.48	11.43	6.22
TCS Receivable	0.64	0.28	0.12	0.08
Excise duty, Service Tax and Income Tax refund	-	-	-	8.56
Prepaid insurance	-	0.15	0.19	0.10
MAT credit entitlement	-	-	-	6.15
Duty drawback	1.45	1.29	3.00	-
PLA	-	0.34	-	-
<b>Total</b>	<b>36.31</b>	<b>49.55</b>	<b>34.73</b>	<b>31.10</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.

## ANNEXURE – O

## STATEMENT OF OTHER INCOME

(Amt in Lacs.)

Particulars	For the year ended			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Related and Recurring Income:</b>				
Building Hire charges	26.26	40.44	23.46	19.47
Accrued interest on FDR	0.69	0.68	1.44	0.98
Dutydrawback exports	0.15	1.21	3.00	0.02
Freight charges received	0.01	0.64	0.00	7.26
Exchange difference	0.00	0.03	11.00	1.51
Other non Operating Income (net of Expenses directly attributable to such income)	0.00	0.00	0.00	0.00
<b>Total</b>	<b>27.12</b>	<b>43.00</b>	<b>38.90</b>	<b>29.24</b>

Notes:

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.

## ANNEXURE - P

## STATEMENT OF TURNOVER

(Amt in Lacs.)

Particulars	For the year ended			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
(i) Turnover of Products Manufactured by the Issuer Company	2976.52	2715.49	1751.81	941.56
(ii) Turnover from Installation charges	94.04	116.29	58.84	39.67
<b>Total</b>	<b>3070.56</b>	<b>2831.78</b>	<b>1810.65</b>	<b>981.23</b>

## ANNEXURE - Q

## STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Amt in Lacs.)

Particulars	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Net Worth (A)	1,502.15	661.73	404.40	298.67
Restated Profit after tax	840.42	257.34	105.73	69.70
Less: Prior Period Item	-	-	-	-
Adjusted Profit after Tax (B)	840.42	257.34	105.73	69.70
Number of Equity Share outstanding as on the End of Year/Period ( C)	5.00	5.00	5.00	5.00
Weighted average no of Equity shares at the time of end of the year (Refer Note 10) (D)	5.00	5.00	5.00	5.00

Current Assets (G)	1,861.72	1,273.01	1,026.37	761.11
Current Liabilities (H)	1,400.44	953.47	713.03	548.63
Face Value per Share (in Rs.)	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earning Per Share (Rs.) (B/D) Refer Note 1 & 10 given below	168.08	51.47	21.15	13.94
Return on Net worth (%) (B/A)	55.95	38.89	26.14	23.34
Net asset value per share (A/C)	300.43	132.35	80.88	59.73
Adjusted Net asset value per share based on Weighted average number of share (A/D)	300.43	132.35	80.88	59.73
Current Ratio (G/H)	1.33	1.34	1.44	1.39

Note:-

1. Earnings per share = Profit available to equity shareholders/ weighted average number of outstanding of equity shares during the year. For the purpose of calculating of weighted average number of shares outstanding prior to Bonus Shares and Right Issue, for the earlier years, Ratio of bonus and right factor applied on closing number of share outstanding as on the end of respective years.

2. Diluted Earnings per share = Profit available to equity shareholders/ weighted avg number of potential equity shares outstanding during the year.

3. Weighted Average number of outstanding Equity Shares has been calculated in terms of the requirement of Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.

4. Return on Net worth (%) = Profit available for Equity shareholders/Net worth X 100.

5. Current Ratio= Current Assets/ Current Liabilities.

6. The company does not have any revaluation reserves or extraordinary items

7. As there is no dilutive capital in the company, Basic and Diluted EPS are similar.

8. Net Profit, before extra-ordinary items as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

<b>ANNEXURE - R</b>	
<b>STATEMENT OF RELATED PARTY TRANSACTION</b>	
<b>(Amt in Lacs' Rs.)</b>	
a)	Names of the related parties with whom transaction were carried out during the years and description of relationship:
1)	Company/entity owned or significantly influenced by directors/ KMP Envirotech Systems Limited
2)	Key Management Personnels: Ashok Kumar shekhawat (CFO) and Pallavi Sharma (CS & Compliance Officer)
3)	Directors:
	Manoj Kumar Gupta
	Sindhu Gupta
	Rakesh Gupta

**1. Transaction with Companies/Entity owned or Significantly influenced by Director/KMP**

Sr. No.	Nature of Transaction	For the year ended							
		31-Dec-23		31-Mar-23		31-Mar-22		31-Mar-21	
A		Amount	% of total Employee remuneration	Amount	% of total Employee remuneration	Amount	% of total Employee remuneration	Amount	% of total Employee remuneration
	<b>Directors Remuneration</b>	<b>45.00</b>	<b>15.14%</b>	<b>40.80</b>	<b>12.85%</b>	<b>31.50</b>	<b>14.22%</b>	<b>26.40</b>	<b>13.61%</b>
	Manoj Gupta	22.50	7.57%	20.40	6.42%	15.90	7.18%	14.40	7.43%
	Sindhu gupta	18.00	6.06%	14.40	4.53%	12.60	5.69%	12.00	6.19%
	Yash Gupta*	4.50	1.51%	6.00	1.89%	3.00	1.35%		
	<b>Loan Repaid</b>								
	Manoj Gupta	292.49		118.67		170.38		84.85	
	Sindhu Gupta	82.62		42.40		88.00		0.50	
	Yash Gupta*	-		19.05		-		-	
	Rakesh Gupta**	25.00		-		-		-	
	<b>Loan Taken</b>								
	Manoj Gupta	80.96		22.13		132.25		62.23	
	Sindhu Gupta	28.18		45.00		32.00		-	
	Yash Gupta*	-		13.60		-		-	
	<b>Rent</b>	<b>1.75</b>		<b>1.80</b>		<b>1.80</b>		<b>1.80</b>	
	Ashok	1.75		1.80		1.80		1.80	
	<b>Salaries</b>								
	Ashok	9.90		12.00		8.20		7.32	
	<b>Corporate Guarantee from enterprises in which relative of Key Management Personnel having significant influence.</b>								
	Nil								

# Ahok Kumar Shekhawat has been appointed as CFO and Pallavi Sharma has been appointed as CS and Compliance Officer in January 2024

\* Yash Gupta has been resigned from directorship on 17th December 2023.

\*\*Rakesh Gupta has been appointed Non-Executive Director on 18th December 2023.

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.
3. List Company/entity owned or significantly influenced by directors/ KMP, Key Management Personnel, and Relative of Key Management Personnel have been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE - S**

**STATEMENT OF CAPITALISATION**

(Amt in Lacs.)

Particulars	Pre-Issue	Post-Issue
	31-Dec-23	
Debt		
Short Term Debt	547.75	547.75
Long Term Debt	286.25	286.25
Total Debt	833.99	833.99
Shareholders' Fund (Equity)		
Share Capital	50.00	*
Reserves & Surplus	1452.15	*
Less: Miscellaneous Expenses not w/off	0.00	*
Total Shareholders' Fund (Equity)	1502.15	*
Long Term Debt/Equity	0.19	*
Total Debt/Equity	0.56	*

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes instalment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/12/2023.
4. For calculation of post offer capitalisation statement. The figures of short term/long term debt as appearing on 31/12/2023 have only been considered.

**STATEMENT OF TAX SHELTER**

**ANNEXURE-T**

(Amt in Lacs.)

Particulars	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Net Profit/(Loss) before taxes (A)	1117.40	352.57	143.98	92.44
Tax Rate Applicable %	25.17%	27.82%	27.82%	25.99%
Minimum Alternate Taxes (MAT)	18.50%	18.50%	18.50%	18.50%
Adjustments				
Add: Depreciation as per companies act, 1956/2013	24.51	12.06	12.01	13.23
Add: Penalties under Various laws	0.21	1.88	0.56	0.85
Less: Depreciation as per Income Tax Act, 1961	28.50	9.67	9.19	13.66
Less:- Deduction u/s 24 on Rental income	26.26	12.13	7.04	5.84
Less: Other Deductions	9.59	-	-	-
Net Adjustments (B)	(39.63)	(7.86)	(3.66)	(5.42)
Business Income (A+B)	1,077.77	344.71	140.31	87.02
Less- Deduction under Sec 35 AD	-	-	-	-
<b>Total Taxable Income</b>	<b>1,077.77</b>	<b>344.71</b>	<b>140.31</b>	<b>87.02</b>
Tax Payable as per Normal Rate	271.25	95.90	39.03	22.62
Tax Payable as per Special Rate	-	-	-	-
Tax as per Income Tax (C)	271.25	95.90	39.03	22.62

<b>Book Profits for MAT</b>				
- net profit as per P&L	1,117.40	352.57	143.98	92.44
- interest disallowed	-	-	-	-
- Deferred Tax Liability created during the year	-	-	-	-
- TDS defaults as per 26AS	-	-	-	-
<b>Total Book Profit for MAT</b>	<b>1,117.40</b>	<b>352.57</b>	<b>143.98</b>	<b>92.44</b>
Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act, 1961 (D)	206.72	65.23	26.64	17.10
<b>Net Tax (Higher of C &amp; D)</b>	<b>271.25</b>	<b>95.90</b>	<b>39.03</b>	<b>22.62</b>
Opening Balance of Mat Credit	-	-	-	-
Mat Credit Available for Subsequent Year out of CY Taxes	-	-	-	-
Cumulative MAT Credit Availment	-	-	-	-
MAT Credit Utilization	-	-	-	-
Current tax as per restated Statement of Profit & Loss	275.88	96.10	39.04	22.63

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company, Income Tax Depreciation was recalculated due to regrouping of Assets and capitalization of few payment expenses from Revenue to Fixed Assets, due to which depreciation was recalculated and revised depreciation considered for above calculation.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.

**AANNEXURE - U**

**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES (Amt in Lacs.)**

Particulars	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
	Contingent liabilities in respect of:			
Claims against the company not acknowledged as debts	-	-	-	-
Bank Guarantee issue to third Parties by Bank	58.00	57.30	21.92	-
Guarantees given for others	-	-	-	-
Buyers Credit in Foreign Currency	-	-	-	-
Other moneys for which the company is contingently liable	2.99	-	-	-
Commitments (LC issued to sthird parties by Bank)	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-
Uncalled liability on shares and other investments partly paid	-	-	-	-
Other Claims against the company under appeal	-	-	-	-
<b>Total</b>	<b>60.99</b>	<b>57.30</b>	<b>21.92</b>	<b>-</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.

## ANNEXURE - V

## STATEMENT OF CURRENT INVESTMENT

(Amt in Lacs.)

PARTICULARS	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Investment in Unquoted shares	-	-	-	-
Investment in Equity shares	-	-	-	-
Investment in Mutual fund	-	-	-	-
<b>Total</b>	-	-	-	-

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III.

## ANNEXURE – W

## Adjustments made in Restated Financial Statements

**Reconciliation of Profit:**

(Amt in Lacs.)

Particulars	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<u>Net profit after tax as per audited accounts but before adjustments for restated accounts</u>	840.42	257.34	105.73	69.70
Change in accounting estimates	-	-	-	-
Provision for income tax	-	-	-	-
Provision for deferred tax	-	-	-	-
<b>Net adjustments in profit and loss account</b>	-	-	-	-
Adjusted profit after tax	840.42	257.34	105.73	69.70
<b>Net Profit after tax as per restated financials</b>	<b>840.42</b>	<b>257.34</b>	<b>105.73</b>	<b>69.70</b>

**Reconciliation of Equity:**

(Amt in Lacs.)

Particulars	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<u>Equity as per Audited Financial Statements</u>	1,502.15	661.73	404.40	298.67
Change in accounting estimates	-	-	-	-
Provision for income tax	-	-	-	-
Provision for deferred tax	-	-	-	-
<b>Net adjustments in profit and loss account</b>	-	-	-	-
Adjusted Equity after adjustments	1,502.15	661.73	404.40	298.67
<b>Equity as Restated</b>	<b>1,502.15</b>	<b>661.73</b>	<b>404.40</b>	<b>298.67</b>

**Restated Statement of Employee Benefit Expenses ANNEXURE - X****(Amt in Rs Lakhs)**

Particulars	For the Period ended	For the year ended		
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>EMPLOYEES BENEFIT EXPENSES:</b>				
Director Remuneration	45.00	40.80	31.54	26.41
Bonus & Employee benefit expenses	-	5.05	4.37	0.34
Employer's contribution to ESIC	1.87	2.48	2.18	1.80
Employer's contribution to EPF	9.60	10.19	7.90	6.66
Salary to staff	170.89	237.01	94.13	79.20
Staff welfare	3.76	5.65	2.86	2.11
Wages charges	57.48	-	67.12	63.24
Wworker welfare	8.56	15.98	11.27	11.69
Leave encashment	0.04	0.43	0.14	2.46
<b>Total</b>	<b>297.20</b>	<b>317.60</b>	<b>221.51</b>	<b>193.91</b>

Notes:

- 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE - Y****Restated Statement of Finance Costs****(Amt in Rs Lakhs)**

Particulars	For the Period ended	For the year ended		
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>FINANCE COSTS:</b>				
Bank charges & Documentation charges	2.48	5.95	4.82	6.28
Credit card - service charges	0.19	0.06	0.10	0.04
Interest on OD Limit	14.93	23.17	22.88	5.35
Interest on car loan	-	-	0.63	0.93
Interest on S/loans	29.18	4.77	5.04	15.60
Interest on unsecured loans	2.42	7.14	7.02	11.72
<b>Total</b>	<b>49.20</b>	<b>41.09</b>	<b>40.49</b>	<b>39.93</b>

Notes:

- 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

## ANNEXURE – Z

## Restated Statement of Other Expenses

(Amount in Rs Lakhs)

Particulars	For the Period ended	For the year ended		
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>OTHER EXPENSES:</b>				
Audit fees	-	0.90	0.70	0.70
Advertisement expenses	-	0.81	0.34	0.34
Business Promotion expenses	0.57	3.38	4.25	2.75
Cartage	35.60	153.71	54.25	56.78
Commission paid	2.70	1.15	-	-
Computer, software & Repair & Maintenance charges	1.81	1.18	1.53	0.72
Conveyance Exp.	3.14	10.06	7.70	6.51
Courier & cargo expenses	25.02	12.98	4.87	3.04
Clearing & forwarding charges	1.46	8.91	14.69	2.83
Consumable store	1.23	13.82	9.88	6.86
Electricity Expenses	8.12	8.16	6.90	5.67
Excise duty	-	-	0.22	-
Fuel, diesel, generator & repair expenses	1.87	5.51	2.47	2.76
GST paid on RCM	8.15	8.22	13.91	3.66
Insurance expenses	1.95	1.96	0.65	1.40
Interest on Government dues	0.21	1.88	0.56	0.85
Job work	6.32	6.60	0.20	1.05
Loading & Unloading charges	3.07	5.53	2.69	3.43
legal Charges	-	0.19	-	-
Miscellaneous Exp.	0.05	0.15	0.07	0.10
Office & Factory Expense	0.85	2.80	2.34	1.24
Professional & Consultancy Expenses	15.99	19.19	14.83	4.64
Pooja & Festival expenses	1.37	2.10	1.77	1.33
Printing & Stationery	2.41	1.93	1.55	1.20
Rent paid	1.75	3.00	3.00	3.60
Repair & Maintenance charges	3.24	8.52	4.60	2.75
Rebate & Discounts	(24.07)	31.06	6.35	13.88
ROC Filling Fees	0.19	0.06	5.04	0.03
Site expenses	10.81	88.58	81.52	56.91
Service & installation charges	29.19	92.68	21.14	19.10
Sales tax	-	-	0.43	2.44
Service tax paid	-	-	0.30	-
Short & Excess	0.05	0.36	0.13	0.03
Tax expenses	5.77	2.63	8.04	-
Tour & Travelling expenses	7.17	14.16	8.21	7.33
Tender fees	2.37	0.01	0.13	0.10
Testing & Laboratory charges	6.16	4.41	-	2.24
Telephone & Internet Expenses	1.06	1.50	1.12	1.21
Vehicle Running & Maintenance Expenses	4.10	5.77	5.33	2.44
Website Expenses	4.03	4.61	3.77	2.51
<b>Total</b>	<b>173.70</b>	<b>528.48</b>	<b>295.43</b>	<b>222.45</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**Statement of Ratio Analysis ANNEXURE - ZA**

Particulars	For the Period ended	For the year ended		
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Current Ratio (times)	1.57	1.34	1.44	1.39
Debt Equity ratio (times)	0.56	1.38	1.33	1.82
Return on Equity (%)	55.95%	38.89%	26.14%	23.34%
Inventory Turnover ratio (times)	17.11	83.07	36.21	17.30
Trade Receivable Turnover ratio (times)	2.38	3.16	3.33	2.10
Trade Payable Turnover ratio (times)	3.84	4.47	5.11	2.66
Debt Service coverage Ratio	1.43	0.44	0.36	0.27
Net Capital Turnover Ratio	5.51	8.95	6.89	4.62
Return on Capital Employed (%)	65.01%	29.77%	27.39%	24.16%

Definition:

- (a) Current Ratio = Current Assets / Current Liabilities.
- (b) Debt- equity ratio = Total debt / Shareholders' equity.
- (c) Debt service coverage ratio = EBITDA/(Principal + Interest)
- (d) Return on equity ratio= Net profit after taxes / Avg Shareholder's Equity.
- (e) Inventory turnover ratio=Cost of goods sold or sales/Average inventory.
- (f) Trade receivables turnover ratio= Revenue from Operations /Average trade receivables
- (g) Trade payables turnover ratio=Direct Expenses/Average trade payables.
- (h) Net Capital turnover ratio=Net sales/Average working capital.
- (i) Net profit ratio=Net profit after taxes/Total Revenue.
- (j) Return on capital employed=Earnings before interest and taxes/Capital employed.
- (k) Return on investment=(Final value of investment - initial value of investment)/ Initial value of investment X 100

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**Workings****(Amount in Rs Lakh)**

Particulars	For the Period ended	For the year ended		
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Current Assets	2,195.71	1,273.01	1,026.37	761.11
Current Liabilities	1,400.44	953.47	713.03	548.63
Working Capital	795.27	319.54	313.34	212.49
Average Working Capital	557.40	316.44	262.91	212.49
Total Debt	833.99	916.12	539.75	543.63
Shareholders' Equity	1,502.15	661.73	404.40	298.67
Total Assets	3,195.02	2,275.73	1,386.51	1,096.45
EBIT	1,166.60	393.65	184.47	132.36
EBITDA	1,191.11	405.72	196.48	145.59
Loan outstanding (Principal + Interest)	833.99	916.12	539.75	543.63
Net Profit after tax	840.42	257.34	105.73	69.70
Average Shareholders's Equity	1,081.94	533.07	351.54	298.67
Trade Receivables	1,413.44	1,169.73	621.78	466.77
Average Trade Receivables	1,291.59	895.76	544.28	466.77
Trade Payables	297.05	450.65	275.59	168.69
Average Trade Payables	373.85	363.12	222.14	168.69
Revenue from Operations	3,070.56	2,831.78	1,810.65	981.23
Total Revenue	3,097.67	2,874.78	1,849.54	1,010.47
Direct expenses	1,435.67	1,622.98	1,136.12	448.52
Capital Employed (Total Assets - Current Liabilities)	1,794.58	1,322.26	673.48	547.82
Capital Employed (Non-current Assets + Current Assets - Current Liabilities)	1,794.58	1,322.26	673.48	547.82
Inventory	333.98	24.89	43.29	56.71
Average Inventory	179.44	34.09	50.00	56.71

**(Amount in Rs Lakhs)**

Key Financial Performance	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations	3,070.56	2,831.78	1,810.65	981.23
EBITDA	1,191.11	405.72	196.48	145.59
EBITDA Margin (%)	38.79%	14.33%	10.85%	14.84%
PAT	840.42	257.34	105.73	69.70
PAT Margin (%)	27.37%	9.09%	5.84%	7.10%
Net Worth	1,502.15	661.73	404.40	298.67
ROE (%)	55.95%	38.89%	26.14%	23.34%
ROCE (%)	65.01%	29.77%	27.39%	24.16%

## OTHER FINANCIAL INFORMATION

### STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Amt in Lacs.)

Particulars	As at			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Net Worth (A)	1,502.15	661.73	404.40	298.67
Restated Profit after tax	840.42	257.34	105.73	69.70
Less: Prior Period Item	-	-	-	-
Adjusted Profit after Tax (B)	840.42	257.34	105.73	69.70
Number of Equity Share outstanding as on the End of Year/Period ( C)	5.00	5.00	5.00	5.00
Weighted average no of Equity shares at the time of end of the year (Refer Note 10) (D)	5.00	5.00	5.00	5.00
Current Assets (G)	1,861.72	1,273.01	1,026.37	761.11
Current Liabilities (H)	1,400.44	953.47	713.03	548.63
Face Value per Share (in Rs.)	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earning Per Share (Rs.) (B/D) Refer Note 1 & 10 given below	168.08	51.47	21.15	13.94
Return on Net worth (%) (B/A)	55.95	38.89	26.14	23.34
Net asset value per share (A/C)	300.43	132.35	80.88	59.73
Adjusted Net asset value per share based on Weighted average number of share (A/D)	300.43	132.35	80.88	59.73
Current Ratio (G/H)	1.33	1.34	1.44	1.39

Note:-

1. Earnings per share = Profit available to equity shareholders/ weighted average number of outstanding of equity shares during the year. For the purpose of calculating of weighted average number of shares outstanding prior to Bonus Shares and Right Issue, for the earlier years, Ratio of bonus and right factor applied on closing number of share outstanding as on the end of respective years.
2. Diluted Earnings per share = Profit available to equity shareholders/ weighted avg number of potential equity shares outstanding during the year.
3. Weighted Average number of outstanding Equity Shares has been calculated in terms of the requirement of Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.
4. Return on Net worth (%) = Profit available for Equity shareholders/Net worth X 100.
5. Current Ratio= Current Assets/ Current Liabilities.

6. The company does not have any revaluation reserves or extraordinary items
7. As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
8. Net Profit, before extra ordinary items as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled “**Summary of Financial Information**” beginning on page 45. You should also read the section titled “**Risk Factors**” on page 22 and the section titled “**Forward Looking Statements**” on page 15 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor HCO & Co. which is included in this Draft Red Herring Prospectus under “**Financial Statements**”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **BUSINESS OVERVIEW**

Our Company was originally incorporated as “Envirotech Gensets Private Limited” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 09, 2007, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on June 01, 2009, the name of our Company was changed to “Envirotech Systems Private Limited” and a fresh certificate of incorporation dated June 10, 2009 was issued to our Company by the Registrar of Companies, NCT of Delhi and Haryana. Subsequently, pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on May 04, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to “Envirotech Systems Limited” and a fresh certificate of incorporation dated June 03<sup>rd</sup>, 2022 was issued to our Company by the Registrar of Companies, NCT of Delhi and Haryana. The Corporate Identification Number of our Company is U31101DL2007PLC159075

Our registered office is situated at A-29,Block-A ,Shyam Vihar Phase-I, New Delhi, Delhi, India, 110043, corporate office at B-1A/19, Commercial Complex, Sector 51, Noida - 201307, India. and operational unit at Property No.-346-347, Block- Ecotech Extension, Sector- Ecotech-1., 201308

Envirotech Systems Limited is a leading acoustic engineering organization specializing in noise measurement and control for industrial and commercial applications. Incorporated in 2007, we have expanded our capabilities to include innovative acoustical product design and manufacturing. With over 98 employees and a network of technical experts, we offer cost-effective solutions for various acoustical challenges in industrial, commercial, architectural, and environmental markets.

Our comprehensive services encompass research, cost-benefit analysis, and engineering solutions to provide you with the most efficient noise abatement solutions.

Mr. Manoj Kumar Gupta and Mrs. Sindhu Gupta are the promoters of the Company

### **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

For details in respect of Statement of Significant Accounting Policies, please refer to “**Annexure R of Restated Financial Statements**” beginning on page 172 of this Draft Red Herring Prospectus.

#### **Factors Affecting our Results of Operations**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “**Risk Factors**” beginning on page 22 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Any change in government policies resulting in increases in taxes payable by us;
3. Our ability to retain our key managements persons and other employees;
4. Changes in laws and regulations that apply to the industries in which we operate.
5. Our failure to keep pace with rapid changes in technology;
6. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;

7. General economic, political and other risks that are out of our control;
8. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
9. Company's ability to successfully implement its growth strategy and expansion plans;
10. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
11. Inability to successfully obtain registrations in a timely manner or at all;
12. Occurrence of Environmental Problems & Uninsured Losses;
13. Conflicts of interest with affiliated companies, the promoter group and other related parties;
14. Any adverse outcome in the legal proceedings in which we are involved;
15. Concentration of ownership among our Promoter;
16. The performance of the financial markets in India and globally;
17. Global distress due to pandemic, war or by any other reason.

#### Key Performance Indicators of our Company (Standalone)

(₹ In Lakhs except percentages and ratios)

Key Financial Performances	31 Dec 23	31 March 23	31 March 22	31 March 21
Revenue from Operations (₹ in Lakhs) <sup>(1)</sup>	3070.56	2831.78	1810.65	981.23
EBITDA (₹ in Lakhs) <sup>(2)</sup>	1191.11	405.72	196.48	145.59
EBITDA Margin (%) <sup>(3)</sup>	38.79%	14.33%	10.85%	14.84%
Profit After Tax (₹ in Lakhs) <sup>(4)</sup>	840.42	257.34	105.73	69.70
PAT Margin (%) <sup>(5)</sup>	27.37%	9.09%	5.84%	7.10%
RoE (%) <sup>(6)</sup>	55.95%	38.89%	26.14%	23.34%
RoCE (%) <sup>(7)</sup>	65.01%	29.77%	27.39%	24.16%

#### Notes:

<sup>(1)</sup> Revenue from operation means revenue from **Supply of Acoustical Products supplies delivered in & outside India.**

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

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

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

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

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

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

\*Our Company doesn't have any subsidiary company so KPI's provided are only on standalone basis.

#### Explanation for KPI metrics:

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

#### DISCUSSION ON RESULT OF OPERATIONS (Standalone)

The following table sets forth financial data from our restated financial statements of profit & loss for the period ended December 31, 2023, for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021, the components of which are also expressed as a percentage of total revenue for such periods:

PARTICULARS	AS AT 31/12/2023	%	AS AT 31/03/2023		AS AT 31/03/2022		AS AT 31/03/2021	
	(Amt in Lacs' Rs.)		(Amt in Lacs' Rs.)		(Amt in Lacs' Rs.)		(Amt in Lacs' Rs.)	
I	REVENUE FROM OPERATIONS:							
	Revenue from Operations (Gross)	2976.52	96.09%	2715.49	94.46%	1751.81	94.72%	941.56
	Installation charges	94.04	3.04%	116.29	4.05%	58.84	3.18%	39.67
II	Other Income	27.12	0.88%	43.00	1.50%	38.90	2.10%	29.24
III	Total Revenue (I + II)	3097.67	100%	2874.78	100%	1849.54	100%	1010.47
IV	EXPENSES							
	Cost of Operation	1657.03	53.49%	1611.76	56.07%	1128.03	60.99%	430.08
	Changes in inventories of finished goods, work in progress and stock-in-trade	(221.36)	-7.15%	11.23	0.39%	8.09	0.44%	18.44
	Employee Benefits Expense	297.20	9.59%	317.60	11.05%	221.51	11.98%	193.91
	Finance Costs	49.20	1.59%	41.09	1.43%	40.49	2.19%	39.93
	Depreciation And Amortization Expense	24.51	0.79%	12.06	0.42%	12.01	0.65%	13.23
	Other Expense	173.70	5.61%	528.48	18.38%	295.43	15.97%	222.45
	Total Expenses	1980.27	63.93%	2522.21	87.74%	1705.57	92.22%	918.04
V	Profit Before Exceptional And Extraordinary Items And Tax (III-IV)	1117.40	36.07%	352.57	12.26%	143.98	7.78%	92.44
IX	Profit Before Tax (VII-VIII)	1117.40	36.07%	352.57	12.26%	143.98	7.78%	92.44
X	Tax Expenses							
	(1) Current Tax	275.88	8.91%	96.10	3.34%	39.04	2.11%	22.62
	(2) Wealth Tax	0	0.00%	0		0	0%	0
	(3) Deffered Tax Liability/(Assets)	1.10	0.04%	0.87	0.03%	0.78	0.04%	(0.11)
XV	Restated Profit/(Loss) after Tax (XI+XIV)	840.42	27.13%	257.34	8.89%	105.73	5.63%	69.70

#### **PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS**

##### ***Income***

Our total income comprises of revenue from operations, Installation charges and other income.

##### ***Revenue from operations:***

Revenue from operations mainly consists of revenue from sale of wide range of Sound or noise reduction enclosures.

##### ***Installation charges:***

Installation charges consist of installation of machines at the place of supply.

##### ***Other Income:***

Other income primarily comprises of Building hire charges.

**Expenditure**

Our total expenditure primarily consists of Cost of Operation, Changes in inventories of finished goods, work in progress and stock-in- trade, Employee Benefits Expense, Finance Costs, Depreciation And Amortization Expense, Other Expense.

**Cost of Operations:**

Cost of *Raw Materials* consists of purchase of raw materials for the production of finished goods.

**Change in Inventories of work in progress & finished goods:**

Changes in inventories of traded goods consists of (i) opening stock in trade; and (ii) closing stock in trade, making up the change in inventories of traded goods.

**Employee benefits expense:**

Employee benefits expense primarily comprises of Director Remuneration, Bonus & Employee benefit expenses, Employer's contribution to ESIC, Employer's contribution to EPF, Salary to staff, Staff welfare, Wages charges, worker welfare, and Leave encashment

**Finance Costs:**

Our finance cost includes Bank charges & Documentation charges, Interest on OD Limit, Interest on S/loans, Interest on unsecured loans.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Plot and Buildings, Plant & Equipment, Furniture and Fixtures, Computers and Printers and Vehicles, etc.

**Other Expenses:**

Other expenses include Business Promotion expenses, Cartage, Commission paid, Computer, software & Repair & Maintenance charges, Conveyance Exp., Courier & cargo expenses, Clearing & forwarding charges, Consumable store, Electricity Expenses, Fuel, diesel, generator & repair expenses, GST paid on RCM, Insurance expenses, Interest on Government dues, Job work, Loading & Unloading charges, Professional & Consultancy Expenses, Pooja & Festival expenses, Printing & Stationery, Rent paid, Repair & Maintenance charges, Rebate & Discounts, ROC Filling Fees, Site expenses, Service & installation charges, Short & Excess, Tax expenses, Tour & Travelling expenses, Tender fees, Testing & Laboratory charges, Telephone & Internet Expenses, Vehicle Running & Maintenance Expenses, Website Expenses

**Note – Figures for Stub Period 31.12.2023 cannot be compared with the Annual Figures of FY 2022-23.**

**FOR THE NINE MONTHS PERIOD ENDED ON DECEMBER 31, 2023**

**INCOME:**

**Revenue from operations**

Our total revenue amounted to ₹ 3097.67 lakhs for the nine months period ended December 31, 2023 which is on account of revenue from operations , installation charges and other income as described below:

**Revenue from Operations**

Our revenue from operations for the nine months period ended December 31, 2023 was ₹ 2976.52 Lakhs which is 96.09% of the total revenue which comes from sale products. Revenue bifurcation comprises of Installation Charges was ₹ 94.04 Lakhs which is about 3.04% of the total revenue and Other income contribute ₹ 27.12 Lakhs which is about 0.88% of the total revenue.

**Installation Charges**

Our income for the nine months period ended December 31, 2023 was from installation charges was ₹94.04 Lakhs which is about 3.04% which forms a negligible part of total revenue.

**Other Income**

Our other income for the nine months period ended December 31, 2023 was ₹ 27.12 Lakhs which forms a negligible part of total revenue.

#### **Expenditure:**

##### ***Cost of Operations:***

Our purchase of stock-in-trade for the nine months period ended December 31, 2023 was ₹ 1657.03 Lakhs, which constituted 53.49% of the total revenue comprising majorly of purchases of raw materials.

##### **Changes in inventories of finished goods, work in progress and stock-in- trade:**

Our Inventory for the nine months period ended December 31, 2023 was ₹ (221.36) Lakhs which constitute opening stock of ₹24.88Lakhs and whereas our closing stock was ₹ 333.98Lakhs.

##### **Employee Benefits Expenses**

The employee benefits expenses for the nine months period ended December 31, 2023 is ₹ 297.20 Lakhs which is about 9.59 % of the total revenue.

##### **Finance Costs**

Financial costs for the nine months period ended December 31, 2023 is ₹ 49.20 Lakhs which is about 1.59 % of the total revenue.

##### **Depreciation and Amortization Expenses**

Depreciation for the nine months period ended December 31, 2023 is ₹ 24.51 Lakhs which is about 0.79% of the total revenue.

##### **Other Expense**

Other Expenses for the nine months period ended December 31, 2023 is ₹ 173.70 Lakhs which is about 5.61 % of the total revenue.

##### **Tax expense**

Our total tax expenses for the nine months period ended December 31, 2023 was ₹ 276.98 Lakhs.

Our tax expenses comprised (i) current tax amounting to ₹ 275.88 Lakhs, and (ii) deferred tax charge amounting to ₹ 1.10 Lakhs.

##### **Profit after Tax**

Profit after tax for the nine months period ended December 31, 2023 is ₹ 840.42 Lakhs which is about 27.13% of the total revenue

□ Note – Figures for Stub Period 31.12.2023 cannot be compared with the Annual Figures of FY 2022-23.

#### **COMPARISON OF FINANCIAL YEAR 2023 WITH FINANCIAL YEAR 2022 (BASED ON STANDALONE RESTATED FINANCIAL STATEMENTS)**

##### ***Total Revenue:***

Total income for the financial year 2022-23 stood at ₹ 2874.78 Lakhs whereas in Financial Year 2021-22 the same stood at ₹1849.54 Lakhs representing an increase of 55.43% primarily due to an increase in revenue from operations and installation charges.

##### ***Revenue from Operations:***

Revenue from Operations for the financial year 2022-23 stood at ₹ 2715.49 Lakhs whereas in Financial Year 2021-22 the same stood at ₹ 1751.81 Lakhs representing an increase of 55.01%. The main reason for increase was due to increase in business on account of increase in Sale of acoustic products and installation charges

##### ***Other Income:***

Other Income for financial year 2022-23 was ₹ 43.00 Lakhs as against ₹ 38.90 Lakhs in the Financial Year 2021-22 representing an increase of 10.55% which was primarily due to below changes:

Particulars	For the year ended
-------------	--------------------

	31st March, 2023	31st March, 2022	% change
Related and Recurring Income:			
Building Hire charges	40.44	23.46	72.38%
Accrued interest on FDR	0.68	1.44	-52.69%
Duty drawback exports	1.21	3.00	-59.79%
Freight charges received	0.64	0.00	64.36%
Exchange difference	0.03	11.00	-99.72%
Other non Operating Income (net of Expenses directly attributable to such income)	0.00	0.00	0.00%
Total	43.00	38.90	10.55%

**Expenditure:**

Total Expenses for financial year 2022-23 has increased to ₹ 2522.21 Lakhs from ₹ 1705.57 Lakhs in the financial year 2021-22 representing an increase of 47.88 %, the said increase is due to increase in raw material and other expenses.

**Cost of operations:**

Cost of operations for the financial year 2022-23 has increased to ₹ 1611.76 Lakhs from ₹ 1128.03 Lakhs in the Financial Year 2021-22 representing an increase of 42.88 % and due to increase in overall sales which has increased by 55.01%. The cost of material consumed has not increased in similar proportion due to better utilization of material.

**Change in Inventories of work in progress & finished goods:**

Change in Inventories of work in progress & finished goods for financial year 2022-23 was ₹ 11.23 Lakhs as against ₹ 8.09 lakhs in financial year 2021-22 representing an increase of 38.81% and an overall decrease in closing stock as compared to opening stock.

**Employee benefits expense:**

Employee benefits expense stood at ₹ 317.60 Lakhs during the financial year 2022-23 as compared to ₹ 221.51 Lakhs in the financial year 2021-22. The increase of 43.38% was due to reasons as mentioned in following table:

Particulars	31st March, 2023	31st March, 2022	% change
EMPLOYEES BENEFIT EXPENSES:			
Director Remuneration	40.80	31.54	29.38%
Bonus & Employee benefit expenses	5.05	4.37	15.60%
Employer's contribution to ESIC	2.48	2.18	13.80%
Employer's contribution to EPF	10.19	7.90	28.94%
Salary to staff	237.01	94.13	151.79%
Staff welfare	5.65	2.86	97.51%
Wages charges	0.00	67.12	-100.00%
worker welfare	15.98	11.27	41.81%
Leave encashment	0.43	0.14	213.84%
Total	317.60	221.51	43.38%

**Finance costs:**

Finance costs for financial Year 2022-23, was ₹ 41.09 Lakhs as against ₹ 40.49 Lakhs during the financial year 2021-22, representing an increase of 1.48%, which is primarily due to the increase in Interest on Working capital(OD & CC Loan).

**Depreciation and Amortization Expenses:**

Depreciation and Amortization Expenses for financial year 2022-23 was ₹ 12.06 Lakhs as against ₹ 12.01 Lakhs during the financial year 2021-22, representing an increase of 0.41% primarily due to Plant & Machinery, Furniture & Fixtures, Computers and Vehicles.

**Other Expenses:** Our other expenses were increased by 78.88% to ₹ 528.48 lakhs for the Financial Year ended March 31, 2023 from ₹ 295.43 lakhs for the Financial Year ended March 31, 2022, primarily due to increase in the following expenses:

OTHER EXPENSES:	March 31, 2023	March 31, 2022	Change in Value
Audit fees	0.90	0.70	28.6%
Advertisement expenses	0.81	0.34	141.3%
Business Promotion expenses	3.38	4.25	-20.4%
Cartage	153.71	54.25	183.3%
Commission paid	1.15	0.00	115.2%
Computer, software & Repair & Maintenance charges	1.18	1.53	-22.8%
Conveyance Exp.	10.06	7.70	30.6%
Courier & cargo expenses	12.98	4.87	166.6%
Clearing & forwarding charges	8.91	14.69	-39.3%
Consumable store	13.82	9.88	39.9%
Electricity Expenses	8.16	6.90	18.3%
Excise duty	0.00	0.22	-100.0%
Fuel, diesel, generator & repair expenses	5.51	2.47	123.6%
GST paid on RCM	8.22	13.91	-40.9%
Insurance expenses	1.96	0.65	200.4%
Interest on Government dues	1.88	0.56	238.6%
Job work	6.60	0.20	3225.8%
Loading & Unloading charges	5.53	2.69	105.4%
legal Charges	0.19	0.00	18.5%
Miscelloues Exp.	0.15	0.07	116.4%
Office & Factory Expense	2.80	2.34	19.6%
Professional & Consultancy Expenses	19.19	14.83	29.4%
Pooja & Festival expenses	2.10	1.77	18.8%
Printing & Stationery	1.93	1.55	24.7%
Rent paid	3.00	3.00	0.0%
Repair & Maintenance charges	8.52	4.60	85.3%
Rebate & Discounts	31.06	6.35	389.4%
ROC Filling Fees	0.06	5.04	-98.8%
Site expenses	88.58	81.52	8.7%
Service & installation charges	92.68	21.14	338.4%
Sales tax	0.00	0.43	-100.0%
Service tax paid	0.00	0.30	-100.0%
Short & Excess	0.36	0.13	178.9%
Tax expenses	2.63	8.04	-67.3%
Tour & Travelling expenses	14.16	8.21	72.5%
Tender fees	0.01	0.13	-96.1%
Testing & Laboratory charges	4.41	0.00	441.2%
Telephone & Internet Expenses	1.50	1.12	33.6%
Vehicle Running & Maintenance Expenses	5.77	5.33	8.3%
Website Expenses	4.61	3.77	22.5%

**Tax Expense:**

Our tax expenses increased to ₹ 95.23 lakhs for the Financial Year ended March 31, 2023 from ₹ 38.25 lakhs for the Financial Year ended March 31, 2022, due to an increase in current taxes on account of profit generated by the Company and increase in deferred tax.

**Restated Profit/ (Loss) before tax:**

Restated Profit/ (Loss) before tax for financial year 2022-23 was ₹ 352.57 Lakhs as compared to ₹ 143.98 Lakhs in the financial year 2021-22, representing a significant increase of 144.88% primarily due to the reasons discussed above.

**Restated Profit/ (Loss) after tax:**

Restated Profit/ (Loss) after tax for financial year 2022-23 was ₹ 257.34 Lakhs as compared to ₹ 105.73 Lakhs in the financial year 2021-22, representing a significant increase of 143.40 % primarily due to the reasons discussed above.

**COMPARISON OF FINANCIAL YEAR 2022 WITH FINANCIAL YEAR 2021 (BASED ON STANDALONE RESTATED FINANCIAL STATEMENTS)**

**Total Revenue:**

Total income for the financial year 2021-22 stood at ₹ 1,849.54 Lakhs whereas in financial year 2020-21 the same stood at ₹ 1,010.47 Lakhs representing an increase of 83.07% primarily due to an increase in revenue from operations on account of increased utilization of capacity and sale of acoustic products and installations .

**Revenue from Operations:**

Revenue from Operations for the financial year 2021-22 stood at ₹ 1751.81 Lakhs whereas in financial year 2020-21 the same stood at ₹ 941.56 Lakhs. This increase of 86.05 % was primarily due to increase in volume of business due to increased utilization of capacity.

**Installation Charges:**

Installation Charges for the financial year 2021-22 stood at ₹ 58.84 Lakhs whereas in financial year 2020-21 the same stood at ₹ 39.67 Lakhs representing an increase of 48.32 % primarily due to increase in sale of acoustic enclosures.

**Other Income:**

Other Income for financial year 2021-22 was ₹ 38.90 Lakhs as against ₹ 29.24 Lakhs in the Financial Year 2020-21 representing an increase of 33.02% which was primarily due to increase in building hire charges.

Particulars	31st December, 2022	31st December, 2021	% Change
Related and Recurring Income:			
Building Hire charges	23.46	19.47	20.52%
Accrued interest on FDR	1.44	0.98	45.93%
Duty drawback exports	3.00	0.02	16274.32%
Freight charges received	0.00	7.26	-100.00%
Exchange difference	11.00	1.51	628.51%
Total	38.90	29.24	33.02%

**Total Expenses:**

Total Expenses for financial year 2021-22 has increased to ₹ 1705.57 Lakhs from ₹ 918.04 Lakhs in the financial year 2020-21 representing an increase of 85.78 %. Such increase was due to increase in business operations of the Company.

**Cost of Operations:**

Cost of Operations for the financial year 2021-22 has increased to ₹ 1128.03 Lakhs from ₹ 430.08 Lakhs in the Financial Year 2020-21. This significant increase of 162.29 % was to meet the increase in business operations and

increased capacity utilization.

**Change in Inventories of work in progress & finished goods:**

Change in inventory of Finished Goods for financial year 2021-22 was ₹ 8.09 lakhs as against ₹ 18.44 lakhs in financial year 2020-21 representing a decrease of -56.11% and an overall decrease in closing stock as compared to opening stock.

**Employee benefits expense:**

Employee benefits expense stood at ₹ 221.51 Lakhs during the financial year 2021-22 as compared to ₹ 193.91 Lakhs in the financial year 2020-21. The increase was due to the following reasons as shown in table:

Particulars	31st March, 2022	31st March, 2021	% Change
<b>EMPLOYEES BENEFIT EXPENSES:</b>			
Director Remuneration	31.54	26.41	19.41%
Bonus & Employee benefit expenses	4.37	0.34	1178.19%
Employer's contribution to ESIC	2.18	1.80	21.19%
Employer's contribution to EPF	7.90	6.66	18.69%
Salary to staff	94.13	79.20	18.85%
Staff welfare	2.86	2.11	35.91%
Wages charges	67.12	63.24	6.14%
Worker welfare	11.27	11.69	-3.58%
Leave encashment	0.14	2.46	-94.40%
<b>Total</b>	<b>221.51</b>	<b>193.91</b>	<b>14.24%</b>

**Finance costs:**

Finance costs for financial Year 2021-22, was ₹ 40.49 Lakhs as against ₹ 39.93 Lakhs during the financial year 2020-21, representing an increase of 1.41%. This is on account of decrease in interest of Secured and unsecured loans to ₹ 0.63 Lakhs in year 2021-22 from ₹ 0.93 Lakhs in year 2020-21 and an increase in interest on O/D limit to ₹ 22.88 from ₹ 5.35.

**Depreciation and Amortization Expenses:**

Depreciation and Amortization Expenses for financial year 2021-22 was ₹ 12.01 Lakhs as against ₹ 13.23 Lakhs during the financial year 2020-21, representing a decrease of -9.20%.

**Other Expenses:**

Our other expenses were increased by 32.81% to ₹ 295.43 lakhs for the Financial Year ended March 31, 2022 from ₹ 222.45 lakhs for the Financial Year ended March 31, 2021, primarily due to increase in the following expenses:

OTHER EXPENSES:	March 31, 2022	March 31, 2021	Change in Value
Audit fees	0.70	0.70	0.0%
Advertisement expenses	0.34	0.34	-2.1%
Business Promotion expenses	4.25	2.75	54.2%
Cartage	54.25	56.78	-4.5%
Computer, software & Repair & Maintenance charges	1.53	0.72	113.0%
Conveyance Exp.	7.70	6.51	18.3%
Courier & cargo expenses	4.87	3.04	60.1%
Clearing & forwarding charges	14.69	2.83	419.9%
Consumable store	9.88	6.86	44.0%
Electricity Expenses	6.90	5.67	21.6%

Excise duty	0.22	0.00	21.6%
Fuel, diesel, generator & repair expenses	2.47	2.76	-10.7%
GST paid on RCM	13.91	3.66	279.6%
Insurance expenses	0.65	1.40	-53.5%
Interest on Government dues	0.56	0.85	-34.7%
Job work	0.20	1.05	-81.2%
Loading & Unloading charges	2.69	3.43	-21.4%
legal Charges	0.00	0.00	0.0%
Miscelloues Exp.	0.07	0.10	-31.0%
Office & Factory Expense	2.34	1.24	88.7%
Professional & Consultancy Expenses	14.83	4.64	219.6%
Pooja & Festival expenses	1.77	1.33	32.7%
Printing & Stationery	1.55	1.20	28.5%
Rent paid	3.00	3.60	-16.7%
Repair & Maintenance charges	4.60	2.75	67.0%
Rebate & Discounts	6.35	13.88	-54.3%
ROC Filling Fees	5.04	0.03	16686.7%
Site expenses	81.52	56.91	43.2%
Service & installation charges	21.14	19.10	10.6%
Sales tax	0.43	2.44	-82.2%
Service tax paid	0.30	0.00	30.4%
Short & Excess	0.13	0.03	325.1%
Tax expenses	8.04	0.00	803.6%
Tour & Travelling expenses	8.21	7.33	12.0%
Tender fees	0.13	0.10	26.0%
Testing & Laboratory charges	0.00	2.24	0.0%
Telephone & Internet Expenses	1.12	1.21	-7.4%
Vehicle Running & Maintenance Expenses	5.33	2.44	118.4%
Website Expenses	3.77	2.51	49.9%

#### ***Tax Expense***

Our tax expenses increased to ₹ 39.82 lakhs for the Financial Year ended March 31, 2023 from ₹ 22.52 lakhs for the Financial Year ended March 31, 2022, due to an increase in current taxes on account of profit generated by the Company and increase in deferred tax.

#### ***Restated Profit/ (Loss) before tax:***

Restated Profit/ (Loss) before tax for financial year 2021-22 was ₹ 143.98 Lakhs as compared to ₹ 92.44 Lakhs in the financial year 2020-21, representing an increase of 55.76 % primarily due to the reasons discussed above.

#### ***Restated Profit/ (Loss) after tax:***

Restated Profit/ (Loss) after tax for financial year 2021-22 was ₹ 105.73 Lakhs in comparison to ₹ 69.70 Lakhs in the financial year 2020-21, representing a significant increase of 51.68 % primarily due to the reasons discussed above.

#### ***Cash Flows (Standalone):***

Particulars	For the nine months period ended December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash flow from Operating Activities	305.89	(9.79)	154.81	(55.52)
Cash flow from Investing Activities	(20.41)	(653.96)	(34.45)	(52.50)
Cash flow from Financing Activities	(467.11)	669.13	(133.07)	111.75

Cash Flows from Operating Activities: Net Cash (used in)/Generated from Operating Activities for period ending 31.12.2023 was Rs. 305.89 Lacs which consisted profit before tax of Rs. 1480.84 Lacs. Net Cash (used in)/Generated from Operating Activities for period ending 31.03.2023 was Rs. (9.97) Lacs which consisted profit before tax of Rs. 1382.80 Lacs. Net Cash (used in)/Generated from Operating Activities for period ending 31.03.2022 was Rs. 154.81 Lacs which consisted profit before tax of Rs. 490.90 Lacs. Net Cash (used in)/Generated from Operating Activities for period ending 31.03.2021 was Rs. (55.52) Lacs which consisted profit before tax of Rs. 222.66 Lacs.

Cash Flows from Investing Activities: Net Cash (used in)/Generated from Investing Activities for period ending 31.12.2023 was Rs. (20.41) Lacs which was due to increase of manufacturing activity in the business. Net Cash (used in)/Generated from Investing Activities for period ending 31.03.2023 was Rs. (653.96) Lacs which was due to increase in manufacturing activity in the business in the business. Net Cash (used in)/Generated from Investing Activities for period ending 31.03.2022 was Rs. (34.45) Lacs which was due to increase manufacturing activity in the business. Net Cash (used in)/Generated from Investing Activities for period ending 31.03.2021 was Rs. (52.50) Lacs which was due to manufacturing activity in the business.

Cash Flows from Financing Activities: Net Cash (used in)/Generated from Financing Activities for period ending 31.12.2023 was Rs. (467.11) Lacs which was due to repayment of Loans. Net Cash (used in)/Generated from Financing Activities for period ending 31.03.2023 was Rs. 669.13 Lacs which was due to increase of Loans and Issue of Fresh Share Capital. Net Cash (used in)/Generated from Financing Activities for period ending 31.03.2022 was Rs. (133.07) Lacs which was due to decrease in loans. Net Cash(used in)/Generated from Financing Activities for period ending 31.03.2021 was Rs. 111.75 Lacs which was due to repayment of loans of the company.

### **PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS**

***Revenue from operations:***

Revenue from operations mainly consists of revenue from sale of wide range acoustic enclosures.

***Installation charges:***

Installation charges primarily consist of installation of heavy machineries.

***Other Income:***

Other income primarily comprises of Building hire charges.

***Cost of materials consumed:***

Cost of Material Consumed consists of purchase of inventories.

***Change in Inventories of work in progress & finished goods:***

Changes in the inventory comprises of finished goods.

***Employee benefits expense:***

Employee benefits expense primarily comprises of Salaries & wages, contribution to Provident & other funds and Staff welfare expenses.

***Finance Costs:***

Our finance cost includes Interest expense and Other Borrowing cost & Bank Charges.

***Depreciation and Amortization Expenses:***

Depreciation includes depreciation on Property, Plant & Equipment, and Intangible Assets etc.

***Other Expenses:***

Our other expenses include Professional Charges, marketing and advertisement expenses, rent, travelling expenses, vehicle running & , maintenance expenses etc.

**Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. *Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. Except as disclosed in this Draft Red Herring Prospectus, there are no unusual or infrequent events or transactions in our Company.

**2. *Significant economic changes that materially affected or are likely to affect income from continuing operations.***

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. *Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 22 of the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. *Future changes in relationship between costs and revenues***

Other than as described in the sections “**Risk Factors**”, “**Business Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 22, 119 and 205 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**5. *Total turnover of each major industry segment in which our Company operates***

Our business activity primarily falls within a single business and geographical segment, i.e. is engaged in the business of infrastructure business, as disclosed in “**Restated Financial Statements**” on page 172, we do not follow any other segment reporting.

**6. *Status of any publicly announced Business Segment***

Except as disclosed in the Chapter “**Business Overview**” on page 119, our Company has not announced any new business venture.

**7. *Seasonality of business***

Our business is not subject to seasonality. For further information, see “**Industry Overview**” and “**Our Business**” on pages 101 and 119, respectively.

**8. *Dependence on single or few customers***

Significant proportion of our revenues have historically been derived from a limited number of customers. The % contribution of our Company customer and supplier vis a vis the revenue from operations, respectively and for the period ended December 31, 2023, for the financial year ended March 31, 2023, for the financial year ended March 31, 2022 and for the financial year ended March 31, 2021 are tabulated as follows:

Particulars	As at December 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in lakhs)	As a % to revenue from operations	Amount (₹ in lakhs)	As a % to revenue from operations	Amount (₹ in lakhs)	As a % to revenue from operations	Amount (₹ in lakhs)	As a % to revenue from operations
Top 10 Customers	1788.61	58.25%	759.90	26.83%	783.28	43.26%	695.80	70.91%
Top 10 Suppliers	767.88	24.79%	874.90	30.43%	823.53	44.53%	291.72	28.87%

#### 9. *Competitive conditions*

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on pages 101 and 119 respectively of this Draft Red Herring Prospectus.

#### 10. *Details of material developments after the date of last balance sheet i.e. December 31, 2023.*

After the date of last Balance sheet i.e., December 31, 2023, the following material events have occurred after the last audited period–

1. We have issued bonus shares to all the shareholders of the company at EGM dated January 19<sup>th</sup>, 2024 as described under the Chapters “*Capital Structure*” beginning on page 63 respectively of this Draft Red Herring Prospectus.
2. We have allotted shares on private placement basis at Board meeting dated March 23<sup>rd</sup>, 2024 as described under the Chapters “*Capital Structure*” beginning on page 63 respectively of this Draft Red Herring Prospectus.
3. We have passed a Resolution in the meeting of Board of Directors dated March 23<sup>rd</sup>, 2024 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
4. We have passed a special resolution in the Extra-ordinary General meeting dated March 29<sup>th</sup>, 2024 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
5. Our company has approved the audited financial statements for the Financial Year ending December 31<sup>st</sup>, 2023 in the Board meeting dated January 15<sup>th</sup>, 2024.
6. Our Company has approved the Restated Financial Statements for the stub period ended December 31<sup>st</sup>, 2023 and financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 in the Board meeting dated January 17<sup>th</sup>, 2024.
7. Our Company has approved the Draft Red Herring Prospectus vide resolution in the Board Meeting dated April 29<sup>th</sup>, 2024.

## STATEMENT OF FINANCIAL INDEBTEDNESS

To,  
**Board of Directors,**  
**Envirotech Systems Limited,**  
**A-29, Block-A, Shyam Vihar Phase-I,**  
**New Delhi, Delhi, 110043.**

Dear Sirs,

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of Envirotech Systems Limited and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as per the standalone restated balance sheet of the company as on are mentioned below.

### A. SECURED LOANS

#### STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Rs. In Lacs)

Name of Lender	Purpose	Sanctioned Amount	Rate of Interest	Primary & Collateral Security	Tenure (in Months)	Amount of EMI (in Lakhs)	Outstanding amount as of 31.12.2023 (In Lakhs)
Standard Chartered Bank-(A/C No. 54302056)	Business Loan-To Increase inventory	300.00	8.80%, P. A (Variable)	Commercial Property No, 19, Block-B-1A, Sector-51, Noida, Distt. G.B.N, Uttar Pradesh-201307.	180 Months	Rs.3.01/- P.M	280.25
Standard Chartered Bank- (A/c No. 52206103146)	Business Expansion	325.00	9.00% P.A – (Variable)	Property No. 345, Block- Ecotech, Extention, Sector Ecotech-1, Greater Noida U.P 201301.	180 Months	Rs. 3.30/- P.M	319.15
Yes Bank Limited	Bank Overdraft OD Limit-Rs 200 Lakhs -BG Limit -1.16 lakhs	316.00	ROI is 9.15% P.A, Which is 3.75% (Spread / Markup) Over and above the External Benchnrark Lcnding Rate	Plot No. 12, Block- Mahila Udhyami Park-II, Sector Ecotech-III, Greater Noida UP.	Payable on Deman d	---	184.71
Yes Bank	Cash Credit Facility	63.30	8.75% p.a which is 3.75% (Spared / Markup)over and above the external Benchmark landing Rate	Plot No. 12, Block- Mahila Udhyami Park-II, Sector Ecotech-III, Greater Noida UP.	Payable on Deman d	---	44.37
<b>TOTAL</b>							<b>828.48</b>

**B. UNSECURED LOANS**

Name of Lender	Purpose	Amount	Rate of Interest	Primary & Collateral Security	Tenure (in Months)	Amount of EMI (in Lakhs)	Outstanding amount as of 31.12.2023 (In Lakhs)
Mr. Rakesh Gupta (Director of the Company)	General Business Purpose	25.00	Nil	NA	NA	NA	25.00
Mrs. Sindhu Gupta (Director of the Company)	General Business Purpose	0.26	Nil	NA	NA	NA	0.26
<b>Total</b>							<b>25.26</b>

This Certificate has been issued on the basis of standalone restated balance sheet of the company, other relevant records and information's/explanations as produced by the management of the Company before us.

**For, Vishal Kaushal & Co.**  
**Chartered Accountants**  
**Firm Registration No. – 010123C**  
**UDIN- 24079919BKESXW1927**

**Sd/-**  
**CA Vishal Sharma**  
**(Partner)**  
**Membership No.: 079919**  
**Date: 23.04.2024**  
**Place: Noida**

## STATEMENT OF CAPITALISATION

(Amt in Lacs.)

Particulars	Pre-Issue	Post-Issue
	31-Dec-23	
Debt		
Short Term Debt	547.75	547.75
Long Term Debt	286.25	286.25
Total Debt	833.99	833.99
Shareholders' Fund (Equity)		
Share Capital	50.00	*
Reserves & Surplus	1452.15	*
Less: Miscellaneous Expenses not w/off	0.00	*
Total Shareholders' Fund (Equity)	1502.15	*
Long Term Debt/Equity	0.19	*
Total Debt/Equity	0.56	*

\* Cannot be determined as Issue price has not been finalized.

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes instalment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities
1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/12/2023.
4. For calculation of post offer capitalization statement. The figures of short term/long term debt as appearing on 31/12/2023 have only been considered.

**CHAPTER X – LEGAL AND OTHER INFORMATION**  
**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*This is to certify that, except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non-payment of statutory dues, over dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act, 1956 and/or paragraph (i) of Part I of Schedule V of the Companies Act, 2013) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters, except the following.*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, Directors, Promoter Group companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, associates and Directors have been declared as wilful defaulters or fraudulent borrowers by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.*

*Further, apart from those as stated below, there are no show-cause notices / claims served on our Company, its Promoters, its Directors or it's Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.*

*For the purpose of material litigation, 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;*

*All pending litigation involving our Company, Promoters, 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 made by or against the entity or person in any such pending proceeding exceeds one per cent of the consolidated revenue from operations of the Company as per the Restated Financial Statements for March 31, 2023; (b) wherein a monetary liability is not quantifiable for any other outstanding proceeding, or which does not fulfil the financial threshold as specified in (a) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects or reputation of the Company or any of its committees and as required under the SEBI Regulations have been disclosed on our website.*

**PART-I LITIGATION RELATING TO THE COMPANY**

**I. FILED AGAINST THE COMPANY**

- a. Litigation Involving Criminal Laws – **NIL**
- b. Litigation Involving Civil Laws - **NIL**
- c. Litigation Involving Actions by Statutory/Regulatory Authorities - **NIL**
- d. Litigation Involving Tax Liabilities;
  1. Direct Tax-

Our company is in receipt of Outstanding Demand Notices from the Income Tax Department. The brief description for the said demands raised are as follows:-

(Amount in Rs)

Assessment Year	Under Section	Outstanding Amount along with Interest
2023-24	201	₹18664
2022-23	201	₹200
2021-22	201	₹400
2020-21	201	₹2000
Prior years	201	₹50699.72
Total		₹71,963.72

(Amount in Lakhs)

Assessment Year	Under Section	Demand Reference No:	Outstanding Amount along with Interest	Remarks
2018-19	143(1)(a)	92018370520859 65C	0.96	The demand has been raised vide demand notice dated 16th October 2019. Our company has submitted its response on 18th January 2022 and the matter is Pending adjudication from the department.

2. Indirect Tax – NIL

e. Other Pending Litigation- NIL

## II. CASES FILED BY THE COMPANY

- Litigation Involving Criminal Laws – **NIL**
- Litigation Involving Civil Laws- **NIL**
- Litigation Involving Actions by Statutory/Regulatory Authorities- **NIL**
- Litigation Involving Tax Liabilities

- Direct Tax – NIL
- Indirect Tax – NIL

e. Other Pending Litigation – **NIL**

## **PART-II LITIGATION RELATING TO THE DIRECTORS AND PROMOTERS OF THE COMPANY**

### **I. CASES FILED AGAINST COMPANY DIRECTOR AND PROMOTER**

- Litigation Involving Criminal Laws – **NIL**
- Litigation Involving Civil Laws- **NIL**
- Litigation Involving Actions by Statutory/Regulatory Authorities- **NIL**
- Litigation Involving Tax Liabilities

3. Direct Tax – NIL
  4. Indirect Tax – NIL
- e. Other Pending Litigation – **NIL**

## **II. CASES FILED BY COMPANY DIRECTORS AND PROMOTERS**

- a. Litigation Involving Criminal Laws – **NIL**
- b. Litigation Involving Civil Laws- **NIL**
- c. Litigation Involving Actions by Statutory/Regulatory Authorities- **NIL**
- d. Litigation Involving Tax Liabilities

5. Direct Tax – NIL
6. Indirect Tax – NIL

Other Pending Litigation – **NIL**

## **PART III OUTSTANDING DUES TO CREDITORS**

In accordance with the Materiality Policy, details of outstanding dues (trade payables) owed to MSME (as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at December 31, 2023, are set out below:

(Amount in Lakhs)

<b>Types of creditors</b>	<b>Number of Creditors</b>	<b>Amount Outstanding (₹ In Rupee)</b>
Material Creditors	0	0
Micro, Small and Medium Enterprises	3	5.60
Other creditors	94	291.45
<b>Total</b>	<b>97</b>	<b>297.05</b>

## **PART-IV MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “Management’s Discussion and Analysis of Financial Condition & Results of Operations” beginning on page 205 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## 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:

### I. APPROVALS FOR THE ISSUE

Approvals In Relation to Our Company's incorporation

1. Certificate of Incorporation dated February 09, 2007 as Envirotech Gensets Private Limited vide registration no. U31101DL2007PTC159075 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.
2. Fresh Certificate of Incorporation dated June 10, 2009 Consequent upon altering the name of the Company from Envirotech Gensets Private Limited to Envirotech Systems Private Limited, bearing registration no. U31101DL2007PTC159075 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.
3. Fresh Certificate of Incorporation dated June 03, 2022 Consequent upon Conversion from Private Company to Public Company thereby altering the name of the Company from Envirotech Systems Private Limited to Envirotech Systems Limited, bearing registration no. U31101DL2007PLC159075 issued by the Registrar of Companies, Delhi.

### II. CORPORATE APPROVALS

The following approvals have been obtained or will be obtained in connection with the Issue:

1. Our Board of Directors have pursuant to a resolution passed at their meeting held on March 23, 2024 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary.
2. The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1)(c) of the Companies Act, 2013 by Special Resolution in an Extra Ordinary General Meeting held on March 29, 2024.
3. Our Board of Directors has, pursuant to a resolution dated, April 29, 2024, [●]and [●] authorized our Company to take necessary action for filing the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus respectively with NSE EMERGE

### III. APPROVALS FROM STOCK EXCHANGE

1. Our Company has received in- principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

#### IV. AGREEMENTS WITH NSDL AND CDSL

1. The Company has entered into a tripartite agreement dated January 11<sup>th</sup>, 2024 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent.
2. The Company has entered into an agreement dated February 02<sup>nd</sup>, 2024 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent.

#### V. TAX RELATED APPROVALS

Sr. No	Description	Authority	Registration No.	Date of Issue	Date of Expiry
1.	Permanent Account Number (“PAN”)	Income Tax Department, Government of India	AABCE7323A	February 09, 2007	Valid until cancel
2.	Tax Deduction Account Number (“TAN”)	Income Tax Department, Government of India	MRTE00541C	August 16, 2007	Valid until cancel
3.	GST Registration Certificate	Goods and Services Tax Department, Delhi	09AABCE7323A1Z3	July 1, 2017	Valid until cancel
4.	Importer Exporter Code	Ministry of Commerce and Industry Directorate General of Foreign Trade	0507069684	March 06, 2024	Valid until cancel
5.	ESI, (Employees’ State Insurance Corporation Act, 1948	ESI, (Employees’ State Insurance Corporation Act, 1948, Regional Office- Noida	67000382560000999	October 28, 2010	One Time Registration
6.	Employees Provident Fund	Ministry of Labour and Employment	MRNOI0054095000	February 27, 2015	Valid until cancel

#### VI. BUSINESS AND LABOUR RELATED APPROVALS / REGISTRATION / CERTIFICATES

Sr. No.	Description	Authority	Registration No./ License No./ Certificate No.	Date of Issue	Validity Date
1.	Factory license	Labour Department, Uttar Pradesh	UPFA10006817	February 27, 2024	February 26, 2025
2.	Certificate of Registration Issued Under The State Shops And Establishments Legislations	District Labour Office, Government of National Capital territory of Delhi	2024051050	March 14, 2024	One Time Registration
4.	Udyam Registration Certificate	Udyam Registration Certificate under Micro, Small and Medium Enterprises Development	UDHYAM-UP-28-0005897	October 13, 2020	Valid until cancel

		Act, 2006			
5.	GRIHA	Green Rating For Integrated	GRIHA V.2019 criterion:11	September 26th, 2023	September 25th, 2025
6.	Fire and Life Safety Certificate	UP Fire Services	UPFS/2023/90694/GBN /GAUTAM BUDDH NAGAR/22362/CFO	July 28, 2023	04/08/2026
7.	ISO 14001:2015	CANDCERTS	2023/ESL/T1051020084 K/799820	October 23, 2020	October 22, 2026
8.	ISO 45001:2018	CANDCERTS	2022/ESL/CC/799821	October 23, 2020	June 06, 2025
9.	ISO 9001:2015	CANDCERTS	2023/ESL/T1051020083 K/799819	October 23, 2020	October 10, 2026

#### IV. THE DETAILS OF DOMAIN NAME REGISTERED IN THE NAME OF THE COMPANY:

S.No	Domain Name and ID	Sponsoring Registrar Name	Bought On	Last Renewal Date	Validity from last renewal
1.	envirotechbarrier.com	Godaddy	09-05-2023	09-05-2023	2 Years
2.	acousticalworld.com		23-10-2019	09-05-2023	2 Years
3.	enviropartitions.com		09-05-2023	09-05-2023	2 Years
4.	envirotechdoors.com		17-06-2021	09-05-2023	2 Years
5.	esplonline.com		16-10-2019	09-05-2023	2 Years
6.	envirotechbarrier.in		12-07-2013	09-05-2023	2 Years
7.	envirotechgroup.in		12-07-2013	09-05-2023	2 Years
8.	envirotechpartitions.com		09-05-2023	09-05-2023	1 Years
9.	esltd.in		28-10-2018	23-07-2022	3 Years
10.	Envirotech-systems.com		17-03-2021	09-09-2022	2 Years
11.	envirotechonline.in		11-09-2021	09-09-2022	2 Years
12.	envirotechacoustics.com		20-06-2013	24-05-2022	3 Years
13.	envirotechltd.com		28-07-2018	24-05-2022	3 Years
14.	envirotech-rfsolutions.com		01-05-2014	25-04-2022	2 Years

#### V. INTELLECTUAL PROPERTY APPROVAL

As on the date of this Draft Red Herring Prospectus, the Company has the following Trademark pending applications:

Sr. No.	Brand Name/ Logo Trademark	Class	Nature of Trademark	Applicant	Application No. & Date	Status
1.		9	Logo	Envirotech Systems Private Limited	2811933 September 16th, 2014	Approved
2.	ENVIROTECH	7	WORD	Envirotech Systems Limited	5612732 August 24, 2023	Accepted Advertised
3.	Envirotech	17	Wordmark	Envirotech	5612733,	Objected

				Systems Limited	September 16, 2022	
4.	Envirotech	6	Wordmark	Envirotech Systems Limited	5612731, September 16, 2022	Objected

**VI. KEY APPROVALS THAT HAVE EXPIRED AND FOR WHICH RENEWAL APPLICATIONS HAVE BEEN MADE:**

There are no such key approvals which have expired and for which renewal applications have been made as on the date of this Draft Red Herring Prospectus

**VII. KEY APPROVALS APPLIED FOR BY OUR COMPANY BUT NOT RECEIVED**

There are no such key approvals applied for by our but not received as on the date of this Draft Red Herring Prospectus

## **SECTION XI GROUP ENTITIES OF OUR COMPANY**

In terms of the SEBI ICDR Regulations, the terms “group companies”, includes (i) such companies (other than promoter(s) and Subsidiaries) with which the relevant issuer company had related party transactions, had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the issuer company.

Accordingly, for (i) above, all such companies (other than promoter(s) and the subsidiaries) with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as ‘Group Companies’ of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy dated March 23<sup>rd</sup>, 2024, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Statements) shall be considered “material” and will be disclosed as a ‘group company’ in the offer documents, and the Company has entered into one or more transactions with such company during the last completed Financial year (or relevant sub period, if applicable), which individually or cumulatively in value exceeds 10% of the Revenue of the Company for the last completed Financial as per the Restated Financial Statements.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company does not have any group companies.

## SECTION XII OTHER REGULATORY AND STATUTORY DISCLOSURES

### **AUTHORITY FOR THE ISSUE**

#### *Corporate Approvals*

The Fresh Issue of Equity Shares in terms of this Draft Red Herring Prospectus has been authorized by a resolution of the Board of Directors of the Company passed at their meeting held on March 23<sup>rd</sup>, 2024 pursuant to Section 62(1)(c) of the Companies Act.

The Fresh Issue of Equity Shares in terms of this Draft Red Herring Prospectus has been authorized by a special resolution of the shareholders of the Company passed at the Extra-Ordinary General Meeting held on March 29<sup>th</sup>, 2024 pursuant to Section 62(1) (c) and other applicable provisions of the Companies Act, 2013.

Our Board has approved the Draft Red Herring Prospectus through its resolution dated April 29, 2024 and Red Herring Prospectus through resolution dated [●].

#### *Government and other Approvals*

Our Company has also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled '**Government and Other Statutory Approvals**' on Page 224 of this Draft Red Herring Prospectus.

#### *In-Principle Listing Approval*

The Company has received In-principal approval from NSE vide their letter dated [●] to use the name of NSE in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus for listing of the Equity Shares on Emerge Platform of NSE. Emerge Platform of NSE is the Designated Stock Exchange.

### **PROHIBITION BY SEBI, RBI OR ANY OTHER GOVERNMENTAL AUTHORITY**

Our Company, our Promoter (person(s) in control of our Company), members of our Promoter Group, our directors, have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of our Directors is in any manner associated with the securities market and there has been no action taken or pending by the SEBI against the Directors or any other entity with which our directors are associated as Promoter or directors, in the five years immediately preceding the date of this Draft Red Herring Prospectus.

None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

There is neither any violation of securities law committed and/or pending by any of them in the past, nor have any company with which the Issuer Company, its Promoter, Directors, persons in control of the Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other regulatory or government authority.

### **PROHIBITION WITH RESPECT TO WILFUL DEFAULTER OR FRAUDULENT BORROWER**

Neither our Company, our Promoters, members of our Promoter Group, or our Directors, have been identified as willful defaulter or fraudulent borrower by the RBI or any other governmental authority as defined by SEBI ICDR Regulations, 2018.

### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company and each of our Promoters, members of our Promoter Group, severally and not jointly, confirms that they are 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 eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue.

Our Company is eligible for the Issue in accordance with the Regulation 229 (2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is more than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of NSE i.e. NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for the Issue as:

- Neither our Company, nor our Promoters, Promoter group or Directors are debarred from accessing the capital market by the Board.
- Neither our Promoters, nor any of our Directors is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Promoters nor any of our Directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters or Directors, are Wilful Defaulters or a fraudulent borrower.
- Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value capital is more than 10 crores rupees and upto 25 crore rupees and can issue Equity Shares to the public and propose to list the same on the EMERGE Platform of National Stock Exchange of India Limited.

### **We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to the chapter titled “General Information” beginning on page 49 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated [●] with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the EMERGE Platform of NSE. For further details of the arrangement of market making please refer to section titled "**General Information – Details of the Market Making Arrangements for this Issue**" beginning on page 49 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 Allottee’s in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within four (4) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, our Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
  - a) In terms of Regulation 246(1) of the SEBI ICDR Regulations, 2018, a copy of the Prospectus will be filed with the SEBI through the Book Running Lead Manager immediately upon filing of the Issue Document with the Registrar of Companies. However, as per Regulation 246(2) of the SEBI ICDR Regulations, 2018, SEBI shall not issue any observation on the Issue document.

4. Further, in terms of Regulation 246(3) of the SEBI ICDR Regulations, 2018 the Book Running Lead Manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
5. In accordance with Regulation 228 of the SEBI (ICDR) Regulations, Our Company is eligible for the current issue.
6. Our Company has a website i.e. <https://www.envirotechltd.com/>
7. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to NSE EMERGE (SME Platform of the NSE) and the same shall be the Designated Stock Exchange.
8. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
9. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid-up.
10. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialized form.
11. There has been no change in the promoters of the Company in the preceding one year from date of filing application to SME Platform of NSE.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **NSE EMERGE ELIGIBILITY NORMS**

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of NSE:

In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, we confirm that we have fulfilled eligibility criteria for Emerge Platform of NSE (NSE Emerge), which are as under:

#### ***The Company is incorporated under Companies Act, 1956.***

Our Company was originally incorporated as “*Envirotech Gensets Private Limited*” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 09, 2007, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on June 01, 2009, the name of our Company was changed to “*Envirotech Systems Private Limited*” and a fresh certificate of incorporation dated June 10, 2009 was issued to our Company by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, pursuant to a special resolution passed by our Shareholders in the Extra-Ordinary General Meeting held on May 04, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to “*Envirotech Systems Limited*” and a fresh certificate of incorporation dated June 03<sup>rd</sup>, 2022 was issued to our Company by the Registrar of Companies, NCT of Delhi and Haryana. The Corporate Identification Number of our Company is U31101DL200PLC159075. For details of change in registered office of our Company, please refer to chapter titled “*History and Corporate Structure*” beginning on page no. 139 of this Draft Red Herring Prospectus.

#### ***The post-issue paid-up equity share capital of the company shall not be more than ₹ 25 Crore.***

The post issue paid up capital of the company will be ₹ [●]Crores. So, the company has fulfilled the criteria of post issue paid up capital shall not be more than ₹ 25 Crores.

#### ***The company should have track record of at least 3 years.***

Our company is having track record of more than 3 years as on the date of Draft Red Herring Prospectus.

#### ***Positive Net worth***

The company has positive net worth in the last 3 years as mentioned below:

(In Lakhs)

Particulars	for the Financial years ending March 31,			
	Dec 31 <sup>st</sup> , 2023	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2021-22
Net Worth	1,502.15	661.73	404.40	298.67

***Cash accruals (earnings before depreciation and tax) in any of the years out of last three years***

The company is having positive cash accruals, details are mentioned as below:

(In Lakhs)

Particulars	31 Dec -23	31-Mar-23	31-Mar-22	31-Mar-21
Profit before Tax as per P&L Account	1117.40	352.57	143.98	92.44
Add: Depreciation	24.51	12.06	12.01	13.23
Add: Finance Cost (Interest)	49.20	41.09	40.49	39.93
Positive Cash Accruals (Earnings Before Depreciation, Interest and tax)	<b>1191.11</b>	<b>405.72</b>	<b>196.48</b>	<b>145.59</b>

***It is mandatory for a company to have a website.***

Our Company has a live and operational website i.e. <https://www.envirotechltd.com/>

***There should not be any change in the Promoter of the company in preceding one year from date of filing the application to NSE EMERGE.***

There has been no change in the promoter(s) of the Company in the preceding one year from the date of filing application to NSE EMERGE.

***Not referred to BIFR***

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

***No winding up petition***

There is no winding up petition against the Company, which has been admitted by the Court or a liquidator has not been appointed.

***No regulatory or disciplinary action***

There has been no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.

***No association with securities market***

The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE 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, SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI AND STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER FILING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS ISSUE DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE ISSUE DOCUMENT.**

#### **DISCLAIMER FROM THE COMPANY AND THE BOOK RUNNING LEAD MANAGER**

The Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at the Company's instance and that anyone placing reliance on any other source of information would be doing so at his or her own risk.

#### **CAUTION**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Book Running Lead Manager, Share India Capital Services Private Limited and the Company on [●], and the Underwriting Agreement dated [●], 2024 entered into between the Underwriters and the Company and the Market Making Agreement dated [●], 2024 entered into among the Market Maker, Book Running Lead Manager, and the Company.

All information shall be made available by the Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, the Company, its Promoter Group, or its affiliates or associates in the ordinary course of business and have engaged, or may be engaged in the future, in commercial banking and investment banking transactions with the Company, its Promoter Group, Group Entities, and its affiliates or associates, for which they have received and may in future receive compensation.

Note: Investors who apply in the Issue will be required to confirm and will be deemed to have represented to the Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakh and pension funds with a minimum corpus of ₹ 2,500.00 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. This Draft Red Herring Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose

possession this 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 jurisdiction of the competent court(s) in Delhi, India only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE STOCK EXCHANGE (NSE EMERGE)**

As required, a copy of this Issue Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE).

NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Issue Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft Issue document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Issue document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Issue document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1933**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING**

The Draft Red Herring Prospectus has been filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

After getting in-principal approval from NSE Emerge, a copy of the final prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for filing to the Registrar of Companies, Mumbai through the electronic portal at <http://www.mca.gov.in>.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Issue document in terms of Regulation 246(2) of SEBI ICDR Regulations, 2018.

A copy of the prospectus shall be filed with SEBI immediately upon filing of the Issue document with Registrar of Companies in term of Regulation 246 of the SEBI (ICDR) Regulations through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

## **LISTING**

Application will be made to the NSE Emerge for obtaining permission to deal in and for an official quotation of the Equity Shares.

NSE Emerge is the Designated Stock Exchange, with which the Basis of Allotment will be finalized. The Emerge Platform of NSE has given its in-principal approval for using its name in our Issue documents vide its letter [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of NSE Limited, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within 4 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days forms the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 4 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within three (3) Working Days from the Issue Closing Date.

## **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

- a. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable to action under Section 447 of the Companies, Act 2013.

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least thousand rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than thousand thousand rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to five thousand rupees or with both.

## **CONSENTS**

Consents in writing of (a) The Directors, The Promoter, The Company Secretary & Compliance Officer, Chief Financial Officer, The Statutory Auditor, Key Managerial Personnel, The Peer Review Auditor, (b) Lead Manager, Registrar to the Issue,

Banker(s) to the Issue, Sponsor Bank, Advisor to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities shall be obtained as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. HCO & Co, Chartered Accountants Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports restated financial statements as included in this Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Red Herring Prospectus.

#### **Experts Opinion:**

Except for the reports in the section “*Statement of Tax Benefits*”, “*Restated Financial Statement*” “*Statement of Financial Indebtedness*” on page 98, 172 and 218 respectively of this Draft Red Herring Prospectus from the Peer Review Auditor, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors for inclusion of their name in this Draft Red Herring Prospectus, as required under Companies Act read with SEBI (ICDR) Regulations as “Expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

#### **PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS**

Except as stated under Chapter titled “*Capital Structure*” beginning on page 63 of this Draft Red Herring Prospectus, our Company has not undertaken any previous public or rights issue. Further, we are an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, amended from time to time and the Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES IN LAST 5 YEARS**

Since this is the initial public issue of the Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since the incorporation.

#### **PARTICULARS IN REGARD TO THE COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARIES/ ASSOCIATES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:**

Neither the Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three year except as mentioned in this Draft Red Herring Prospectus. This is the initial public issue of the Company’s Equity Shares

#### **PERFORMANCE VIS-A-VIS OBJECTS–PUBLIC/RIGHT ISSUE OF THE COMPANY**

Except as stated under Section titled “*Capital Structure*” beginning on page 63 of this Draft Red Herring Prospectus the Company has not undertaken any previous public or rights issue.

#### **PERFORMANCE VIS-A-VIS OBJECTS - LAST ISSUE OF LISTED SUBSIDIARIES/LISTED PROMOTER**

We don’t have any listed company under the same management or any listed subsidiaries or any listed Promoter as on date of this Draft Red Herring Prospectus

#### **OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES OR ANY OTHER CONVERTIBLE INSTRUMENTS ISSUED BY THE COMPANY**

The Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

#### **OPTION TO SUBSCRIBE**

Equity Shares being issued through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

## **STOCK MARKET DATA OF THE EQUITY SHARES**

Since the Equity Shares of the Company are not listed on any Stock Exchange, this will be an Initial Public Issue for the Company.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Company has appointed 'Bigshare Services Private Limited' as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company.

The Agreement amongst the Registrar to the Issue and the Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of Draft Red Herring Prospectus. Since there are no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection center of the SCSBs where the Application Form was submitted by the ASBA Applicants in ASBA account or UPI ID linked bank account number in which the amount equivalent to the Bid Amount was blocked. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

The Applicant should give full details such as name of the sole/first Applicant, Application Form number, Applicant DP ID, Client ID, Bank Account No./UPI ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

## **DISPOSAL OF INVESTOR GRIEVANCES BY THE COMPANY**

The Company estimates that the average time required by the Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Ms Pallvi Sharma, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for the Company Secretary and Compliance Officer are as follows:

### **Ms. Pallvi Sharma**

Company Secretary & Compliance Officer

### **Envirotech Systems Limited**

**Address:** 901 Swami Vivekananda Block, Saraswati Vihar, Sector 28,

**Chakarpur (74), Gurgaon, Haryana - 122002**

**Tel No:** +91-9084975857

**Email:** cs@envirotechltd.com

**Website:** <https://www.envirotechltd.com/>

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web- based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### **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 LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY**

We don't have any listed company under the same management or any listed subsidiaries or any listed Promoter.

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

The Company has not sought for any exemptions from complying with any provisions of securities laws.

### **PRICE INFORMATION OF PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by **Share India Capital Services Private Limited**, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, and the website of Lead Manager at <https://corpwis.com/>.

### **DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1.	Anmol India Limited	10.23	33	February 21, 2019	33.00	32.40 [-3.57%]	2266.26 [6.57%]	30.00 [-9.09%]	3211.86 [8.94%]	29.8 [-9.70%]	1429.66 [3.98%]
2.	Humming Bird Education Limited	2.15	132	March 28, 2019	132.00	141 [6.82%]	521.61 [1.35%]	104.36 [20.94%]	1046.3 [2.71%]	141 [6.82%]	551.42 [1.42%]
3.	Maiden Forgings Limited	23.84	63	April 06, 2023	63.00	60.27 [-4.33%]	25809.37 [6.66%]	82.17 [30.43%]	26700.32 [10.34%]	126.25 [100.39%]	27405.30 [13.19%]
4.	Exhicon Events Media Solutions Limited	21.12	64	April 17, 2023	64.00	146.70 [129.22%]	25533.31 [5.90%]	218.65 [241.64%]	26885.34 [11.51%]	292.10 [356%]	27915.62 [15.78%]

5.	A G Universal Limited	8.72	60	April 24, 2023	60.00	71 [18.33%]	24273.17 [-6.07%]	46.5 [-22.50%]	19745 [23.59%]	65.2 [8.66%]	27369.27 [5.910%]
6.	Quicktouch Technologies Limited	9.33	61	May 02, 2023	92.00	128.65 [110.90%]	24056.99 [4.45%]	140.10 [129.67%]	23075.38 [0.18%]	215.05 [252.54%]	27339.73 [18.7%]
7.	De Neers Tools Limited	22.99	101	May 11, 2023	190.00	176.25 [74.50%]	25299.74 [2.74%]	245 [142.57%]	26744.82 [8.61%]	233.02 [130%]	26686.14 [8.377%]
8.	Krishca Strapping Solutions Limited	17.93	54	May 29, 2023	118.80	170.3 [215.37%]	26224.82 [4.58%]	280.5 [419.44%]	27069.29 [7.94%]	235.55 [336.2%]	29155.48 [16.26%]
9.	New Swan Multitech Ltd	33.11	66	January 18, 2024	125.40	95.35 [44.46%]	31857.39 [3.75%]	79.55 [20.53%]	32345.67 [5.34%]	-	-
10.	Wise Travel India Ltd	94.68	147	February 19, 2024	204.75	190.7 [29.72%]	31628.31 [-1.14%]	-	-	-	-
11.	Pune e-Stock Broking Ltd	38.23	83	March 15, 2024	130	127.5 [53.6%]	32267.99 [2.90%]	-	-	-	-
12.	AVP Infracon Ltd	52.34	75	March 20, 2024	79	71.75 [-4.33]	32088.33 [3.39%]	-	-	-	-

Financial Year	Total No. of IPO	Total amount of Funds raised (In Cr.)	No. of IPO trading at discount 30th calendar days from listing			No. of IPO trading at premium 30th calendar days from listing			No. of IPO trading at discount 180th calendar days from listing			No. of IPO trading at premium 180th calendar days from listing		
			Over 50%	Between 25% - 30%	Less than 25%	Over 50%	Between 25% - 30%	Less than 25%	Over 50%	Between 25% - 30%	Less than 25%	Over 50%	Between 25% - 30%	Less than 25%
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	<b>10</b>	<b>322.29</b>	-	-	<b>1</b>	<b>4</b>	-	<b>1</b>	-	-	-	<b>4</b>	-	-

**Note:**

- a) Based on date of listing.
- b) BSE SENSEX and NIFTY 50 have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings) managed by the Book Running Lead Managers. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Managers are provided.

**Track Record of past issues handled by Share India Capital Services Private Limited**

For details regarding track record of BRLMS 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 BRLMS at [www.shareindia.com](http://www.shareindia.com).

## **SECTION XIII: ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, 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 Government Of India, 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 Government Of India, the Stock Exchange, the RoC and / or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### **AUTHORITY FOR THE PRESENT ISSUE**

This Public Issue has been authorized by a resolution of our Board of Directors passed at their meeting held on March 23, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the General Meeting. 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 our Company held on March 29<sup>th</sup>, 2024.

### **RANKING OF EQUITY SHARES**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, and our MoA and AoA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, ‘**Main Provisions of Article of Association**’, beginning on page 288 of this Draft Red Herring Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection there to and as per the recommendation by the

Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. The Company shall pay dividend, in cash as per the provisions of the Companies Act and our Articles of Association. For further details in relation to dividends, please refer to sections titled, '*Dividend Policy*' and '*Main Provisions of Article of Association*', beginning on page 171 and 288 respectively, of this Draft Red Herring Prospectus.

### **FACE VALUE AND PRICE BAND**

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price"). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid / Issue Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid / Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

The Issue Price is determined by our Company in consultation with the Book Running Lead Manager and is justified under the Section titled, '*Basis for Issue Price*', beginning on page 92 of this Draft Red Herring Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **COMPLIANCE WITH ICDR REGULATIONS**

Our Company shall comply with all requirements of the ICDR Regulations, as amended time to time.

### **COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the AoA, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive annual reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act, 2013;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, as may be applicable, terms of the Listing Regulations and the MoA and AoA of our Company.

For further details on the main provision of our Company's AoA dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, etc., please refer to Section titled, '*Main Provisions of the Articles of Association*', beginning on page 288 of this Draft Red Herring Prospectus.

#### **ALLOTMENT IN DEMATERIALIZED FORM**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the existing ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all Applicants. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated February 02<sup>nd</sup>, 2024 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated January 11, 2024 between CDSL, our Company and Registrar to the Issue.

The ISIN of the company is INE0SUH01015.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by SME Platform of NSE (NSE Emerge) 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 Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants. Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application.

#### **MINIMUM NUMBER OF ALLOTTEES**

In accordance with the Regulation 268 of ICDR Regulations, the minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no Allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 Working Days of closure of Issue.

#### **JOINT HOLDERS**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013, the First / Sole Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of Sole Applicant or in case of joint Applicant, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board of Directors, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board of Directors 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, the

Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the Applicants require changing the nomination, they are requested to inform their respective Depository Participant.

### **WITHDRAWAL OF THE ISSUE**

In accordance with the SEBI (ICDR) Regulations, our Company, in consultation with BRLM, reserves the right not to proceed with this issue at any time after the Issue Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non-Retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

### **ISSUE PROGRAM**

<b>Bid / Issue Opens on<sup>(1)</sup></b>	<b>●</b>
<b>Bid / Issue Closes on<sup>(2)</sup></b>	<b>●</b>
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	<b>●</b>
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account*</b>	<b>●</b>
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	<b>●</b>
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	<b>●</b>

#### *Note*

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

<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations.

\*In case of (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 four 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 four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM 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. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid / Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid / Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

- (i) On the Bid / Issue Closing Date, the Bids shall be uploaded until 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid / Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled / withdrawn / deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid / Issue Opening Date till the Bid / Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid / batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid / Issue Closing Date, Applicants are advised to submit their applications 1(one) day prior to the 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. Applicants are cautioned that, in the event a large number of Bid-Cum-Application Forms are received on the 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. Bid-Cum-Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid-Cum-Application Forms due to faults in any software / hardware system or otherwise.

In accordance with ICDR Regulations, QIBs and Non-Institutional Applicants 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 Investors can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Investors, 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 Application Form, for a particular Applicant, the details as per the file received from EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”) 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 Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid / Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid / Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid / Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid / Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

### **MINIMUM SUBSCRIPTION**

In accordance with Regulation 260 (1) of ICDR Regulations, this Issue is 100% underwritten, so this Issue is not restricted to any minimum subscription level .

As per section 39 of the new Companies Act, 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 Red Herring Prospectus, the Application Amount has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Offer document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In accordance with Regulation 260 (1) 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 this Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹1.00 Lakhs (Rupees One Lakhs) 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 [●] Equity Shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”).

### **APPLICATION BY ELIGIBLE NRIS, FPIS / FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND ELIGIBLE QFIS**

It is to be understood that there is no reservation for Eligible NRIs or FPIs / FIIs registered with SEBI or VCFs or Eligible QFIs. Such Eligible NRIs, Eligible QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of allocation.

NRIs, FPIs / FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public issue without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee

company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

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.

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE.**

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 03, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for Equity Share allocation.

#### **RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the pre-issue Equity Shares and Promoters’ minimum contribution in the Issue as detailed in the Section titled, ‘*Capital Structure*’, beginning on page 63 of this Draft Red Herring Prospectus, and except as provided in the AoA of our Company, there are no restrictions on transfer and transmission and on their consolidation / splitting of Equity Shares. For further details, please refer to the Section titled, ‘*Main Provisions of the Articles of Association*’, beginning on page 288 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 Applicants 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.

#### **ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

Further, in accordance with the 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. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

#### **MIGRATION TO MAIN BOARD**

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of NSE from the NSE EMERGE on a later date subject to the following:

If the Paid-up Capital of our Company is likely to increase above ₹2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to National Stock Exchange of India Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid up Capital of our company is more than ₹1,000 lakhs but below ₹2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **MARKET MAKING**

The Equity Shares offered through this Issue are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) wherein the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the NSE EMERGE Platform of NSE for a minimum period of 3 years from the date of listing on the NSE EMERGE of NSE Limited.

For further details of the agreement entered into between our Company, the Book Running Lead Manager and the Market Maker please refer to Section titled, ‘**General Information - Details of the Market Making Arrangements for this Issue**’, beginning on page 49 of this Draft Red Herring Prospectus.

### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Delhi, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States to, or for the account or benefit of “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the 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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **PRE-ISUUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Offer advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*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 and 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 and regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company's post issue paid up capital is more than ten crore rupees and up to twenty-five crore rupees. Our Company shall issue equity shares to the public and propose to list the same on the Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge"). For further details regarding the salient features and terms of such this issue, please refer to chapter titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on page 241 and 253 respectively of this Draft Red Herring Prospectus.

Initial Public Issue of upto 54,00,000 Equity Shares of ₹10.00 each (the "Equity Shares") for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs ("the Issue") by the issuer Company (the "Company").

The Issue comprises a reservation of upto [●] Equity Shares of face value of ₹10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs for subscription by the designated Market Maker (Market Maker Reservation Portion) and a Net Issue to Public of upto [●] Equity Shares of face value of ₹ 10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs (the Net Issue). The Issue and the Net Issue will constitute [●] % and [●] % respectively of the Post Issue Paid-up Equity Share Capital of the Company. The Issue is being made through the Book Building Process.

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
<b>Percentage of Issue Size available for allocation</b>	5.00 % 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. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of the Issue less allocation to QIB Bidders and RIBs will be available for allocation.	Not less than 35% of the Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation
<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	Allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the	Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail

		available for allocation on a proportionate basis to Mutual Funds only; and  Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.  Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation (b) Price	availability of Equity  Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “ <i>Issue Procedure</i> ” beginning on page 253 of this Draft Red Herring Prospectus.	Portion and the remaining available Equity Shares is any, shall be allotted on proportionate basis. For details, see “ <i>Issue Procedure</i> ” beginning on page 253 of this Draft Red Herring Prospectus.
<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 ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the 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 ₹200,000
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			

<b>Mode of Bid</b>	Only through the ASBA process.		Only through the ASBA process	Through ASBA Process Through Banks or by using UPI ID for payment
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*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*

*(1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.*

*(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*

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

*(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under “**Issue Procedure - Bids by FPIs**” on page 253 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

### **WITHDRAWAL OF THE ISSUE**

In accordance with the SEBI (ICDR) Regulations, our Company in consultation with Book Running Lead Manager, reserves the right not to proceed with this issue at any time after the Bid/Issue Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company withdraws the Issue after the Bid/Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non-Retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

### **JURISDICTION**

Exclusive jurisdiction for the purpose of this issue is with the competent courts / authorities at Delhi, New Delhi

## **ISSUE PROGRAMME**

<b>Bid / Issue Opens on<sup>(1)</sup></b>	<b> ● </b>
<b>Bid / Issue Closes on<sup>(2)</sup></b>	<b> ● </b>
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	<b> ● </b>
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account*</b>	<b> ● </b>
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	<b> ● </b>
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	<b> ● </b>

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

<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period at the Application Centers mentioned in the Bid-Cum-Application Form.

Standardization of cut-off time for uploading of applications on the Bid / Issue Closing Date:

- a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019

Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund

With effect from July 1, 2019, with respect to Applications by RIIs 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 Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid Cum Application Form.

Phased implementation of Unified Payments Interface

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I: This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

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. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## PART A

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

***Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bidcum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.***

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least oneday prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iv. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

**Anchor Investors are not permitted to participate in the issue through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

CATEGORY	COLOUR*
Anchor Investor**	[•]

Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	[•]
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	[•]
Eligible Employees Bidding in the Employee Reservation Portion	[•]

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank. Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s). Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus. The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1	An SCSB, with whom the bank account to be blocked, is maintained
2	A syndicate member (or sub-syndicate member)
3	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by Investors	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
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to SCSB	blocking funds available in the bank accounts specified in the form, to the extent of the application money specified.
For applicati onssubmitted by investors to intermediaries other than SCSBs	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For Application submitted by investors to intermediaries other than SCSBs with use of UPI for payment	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. 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 realtime basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior subsequent notice of such changes to the Bidders.

The Sponsor Bank 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 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 UPI Circulars. Sponsor Bank 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 Banks on a continuous basis.

**Participation by Promoters and members of the Promoter Group of our Company, the Book Running Lead Manager and the Syndicate Members**

The Book Running Lead Managers and the Syndicate Member were not 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 Managers and the Syndicate Member could Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as was applicable to such Bidders, where the allocation is on a proportionate basis and such subscription could be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Member, were required to be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associates of the Book Running Lead Managers could apply in the Issue under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers; (ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers; (iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or (iv) FPIs

(other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the Book Running Lead Managers.

- (ii) Further, persons related to our Promoters and Promoter Group did not apply in the Issue under the Anchor Investor Portion. (i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group; (ii) veto rights; or (iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor was deemed to be an associate of the Book Running Lead Managers, if: (a) 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 (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Book Running Lead Managers.

#### **Availability of Draft Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

#### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any

- other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
  - n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
  - o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
  - p) Pension Funds and Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
  - q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
  - r) Multilateral and bilateral development financial institution;
  - s) Eligible QFIs;
  - t) Insurance funds set up and managed by army, navy or air force of the Union of India;
  - u) Insurance funds set up and managed by the Department of Posts, India;
  - v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

### **Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

### **MAXIMUM AND MINIMUM APPLICATION SIZE**

#### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

#### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or **maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMs 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 applied for do not exceed the applicable limits under laws or regulations.**

## **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and [●] of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and [●] Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in **“Escrow Mechanism - Terms of payment and payment into the Escrow Accounts”** in the section **“Issue Procedure”** beginning on page 253 of this Draft Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic

mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.

- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Information for the Bidders**

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Draft Red Herring Prospectus will be available with the Book Running Lead Manager, Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be

“suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but upto ₹2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE EMPLOYEES**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed [●] Lakhs (net of Employee reservation category). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed [●] (net of Employee reservation). Allotment in the Employee Reservation Portion will be as detailed in the section "Issue Structure" on page 249.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] form).
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.
- In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Only those Bids, which are received at or above the Offer Price would be considered for allocation under this portion.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of [●] (net of Employee reservation portion) on a net basis.
- If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In the event of under subscription in the employees' reservation portion, the unsubscribed portion may be allotted on a proportionate basis, for a value in excess of two lakhs rupees, subject to total allotment to an employee to an employee not exceeding five lakh rupees.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "Issue Procedure" on page 253 of this Draft Red Herring Prospectus.

#### **BIDS BY ELIGIBLE NRIS:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUF'S:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non- Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability

- Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity

Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this 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.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity

Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “[●]”
- b. In case of Non-Resident Anchor Investors: “[●]”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity

10.	Amount
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*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch wherethe ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted theBid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

**Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically

uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.

- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

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

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in

the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a) Our company has entered into an Underwriting Agreement dated April 17, 2024
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Draft Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper;

(ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

#### **Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the

- name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
  11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
  12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
  13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
  14. Ensure that the Demographic Details are updated, true and correct in all respects;
  15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
  16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
  17. Ensure that the category and the investor status is indicated;
  18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
  19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
  20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
  21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
  22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
  23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
  24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
  25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
  26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
  27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed Rs. 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. 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);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Other instructions for the Bidders**

#### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **Investor Grievance**

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **Submission of Bids**

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

### **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm assuch shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application

- Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

#### **BASIS OF ALLOTMENT**

##### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:
- In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●] % of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.

- Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
- in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (SME platform of NSE) (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).

- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-

.Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director/ Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, uponrequest, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form

number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge (SME platform of NSE) where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

#### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

#### **“Any person who-**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

#### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;

- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;

Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds

- 4) shall be credited along with amount and expected date of electronic credit of refund;
- 5) That our Promoter 's contribution in full has already been brought in;
- 6) That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
- 7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 8) If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated February 02, 2024, 2024 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated January 11, 2024 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No INE0SUH01015.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting

from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognized stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Offer in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such Issue made under exemptions available under the Prospectus Directive, provided that no such Issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION - XIV**  
**MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**  
**THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES)**

**\*ARTICLES**  
**OF**  
**ASSOCIATION**  
**OF**  
**ENVIROTECHSYSTEMSLIMITED**

***Interpretation***

1. In the Regulations unless the context otherwise require:-
  - (a) "the Company" or "this Company" means ENVIROTECH SYSTEMS LIMITED.
  - (b) "the Act" means the "Companies Act, 2013 and every statutory modification or re-enactment thereof and references to Sections of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.
  - (c) "these Regulations" means these Articles of Associations as originally framed or as altered, from time to time.
  - (d) "the office" means the Registered Office for the time being of the Company.
  - (e) "the Seal" means the common seal of the Company.
  - (f) Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall includes bodies corporate and all other persons recognized by law as such.
  - (g) "month" means a calendar month and "year" means financial year respectively.
  - (h) Expressions referring to writing shall be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.
  - (i) Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.
  - (j) The Company is a "Public Company" within the meaning of Section 2(71) of the Companies Act, 2013 and accordingly means a company which -
    - a) is not a private company;
    - b) has minimum paid up share capital as may be prescribed.

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\* *Adopted vide Special Resolution passed in Extra- ordinary General Meeting held on 04 May, 2022 subject to approval by the Regulatory Authorities.*

2. The Regulations contained in Table F in Schedule I to the Companies Act, 2013 shall apply to the Company and the Regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the Company and its members as if they are the terms of an agreement between them.

### ***Capital and Increase and Reduction of Capital***

3. **Share Capital**

The Authorised Share Capital of the Company shall be such amount; divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association of the Company; with power to increase or reduce such Capital from time to time and power to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the Company or the provisions of the law for the time being in force.

4. **Increase of Capital by the Company how carried into effect**

The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new shares which may be unclassified and may be classified at the time of issue in one or more classes and such amount or amounts as may be deemed expedient. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Companies Act, 2013. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Companies Act, 2013.

5. **New Capital same as existing capital**

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. **Non-Voting Shares**

The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, in the event it is permitted by law to issue shares without voting rights attached to the subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

7. **Redeemable Preference Shares**

Subject to the provisions of Section 55 of the Companies Act, 2013, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

8. **Voting rights of preference shares**

The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares and in circumstances provided under Section 47(2).

9. **Provisions to apply on issue of Redeemable Preference Shares**

On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:

- (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.
- (b) No such Shares shall be redeemed unless they are fully paid.
- (c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.
- (d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013 apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
- (e) Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

**10. Reduction of capital**

The Company may (subject to the provisions of section 52, 55(1) & (2) of the Companies Act, 2013 and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce

- (a) the share capital;
- (b) any capital redemption reserve account; or
- (c) any security premium account.

In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

**11. Purchase of own Shares**

The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

**12. Sub-division consolidation and cancellation of Shares**

Subject to the provisions of Section 61 of the Companies Act, 2013 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which 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.

### ***Modification of Rights***

#### **13. Modification of rights**

Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 48 of the Companies Act, 2013 be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.

The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking pari passu therewith.

### ***Shares, Certificates and Dematerialisation***

#### **14. Restriction on allotment and return of allotment**

The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Section 39 of the Companies Act, 2013, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013.

#### **15. Further issue of shares**

- (1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered -
  - (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:-
    - (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - (ii) 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 (i) shall contain a statement of this right;
    - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

- (2) The notice referred to in sub-clause (a)(i) of Clause (1) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing aforesaid shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

## **16. Shares at the disposal of the Directors**

Subject to the provisions of Section 62 of the Companies Act, 2013 and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 53 of the Companies Act, 2013) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

### **16. (A) Power to offer Shares/options to acquire Shares**

- (1) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole- time or not), whether at par or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.-sweat equity shares
- (2) In addition to the powers of the Board under Article 16A (1), the Board may also allot the Shares referred to in Article 16A (1) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A (1)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.
- (3) The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A (1) and (2) above.

### **17. Application of premium received on Shares**

- (1) Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the securities premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company.

- (2) The securities premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:
  - (a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus shares;
  - (b) In writing off the preliminary expenses of the Company;
  - (c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or
  - (d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
  - (e) For the purchase of its own shares or other securities under Section 68 of the Companies Act, 2013.

**18. Power also to Company in General Meeting to issue Shares**

In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 62 of the Companies Act, 2013, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Companies Act, 2013) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 52 and 53 of the Companies Act, 2013) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

**18. (A) Power of General Meeting to authorize Board to offer Shares/Options to employees**

- (1) Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/ granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose.
- (2) In addition to the powers contained in Article 18A (1), the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/ other writing approved under the aforesaid Article.

**19. Shares at a discount**

The Company shall not issue Shares at a discount except the issue of Sweat Equity Shares of a class already issued, if the following conditions are fulfilled, namely:

- (a) the issue is authorized by a special resolution passed by the company;
- (b) the resolution specifies the number of shares, the current market price, consideration, if any, and the class or classes of directors or employees to whom such equity shares are to be issued;

- (c) not less than one year has, at the date of such issue, elapsed since the date on which the company had commenced business; and
- (d) where the equity shares of the company are listed on a recognized stock exchange, the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board in this behalf and if they are not so listed, the sweat equity shares are issued in accordance with the prescribed rules.

**20. Installments of Shares to be duly paid**

If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment 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 Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.

**21. The Board may issue Shares as fully paid-up**

Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.

**22. Acceptance of Shares**

Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.

**23. Deposit and call etc. to be debt payable**

The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

**24. Liability of Members**

Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.

**25. (A) Dematerialization of securities**

**Definitions:**

**Beneficial Owner** "Beneficial Owner" means a person whose name is recorded as such with a Depository.

**SEBI** "SEBI" means the Securities and Exchange Board of India.

**Bye-Laws** "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

**Depositories Act** "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;

**Depository** "Depository" means a company formed and registered under the Companies Act, 1956 or other in enactment and which has been granted a certificate of registration under sub- section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

**Record** "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

**Regulations** "Regulations" mean the regulations made by SEBI;

**Security** "Security" means such security as may be specified by SEBI.

**25. (B) Dematerialization of securities**

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

**25. (C) Options to receive security certificates or hold securities with depository**

Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.

Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.

**25. (D) Securities in depositories to be in fungible form**

All Securities held by a Depository shall be dematerialized and shall be in a fungible form;

**25. (E) Rights of depositories and beneficial owners**

- (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;
- (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;
- (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.

**25. (F) Depository to furnish Information**

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

**25. (G) 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.

**25. (H) Option to opt out in respect of any security**

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

**25. (I) Sections 45 and 56 of the Companies Act, 2013 not to apply**

Notwithstanding anything to the contrary contained in the Articles:

- (1) Section 45 of the Companies Act, 2013 shall not apply to the Shares held with a Depository;
- (2) Section 56 of the Companies Act, 2013 shall not apply to transfer of Security affected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

**26. Share certificate**

- (a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.
- (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.

**26. (A) Limitation of time for issue of certificates**

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 60 days from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 30 days of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid- up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.

**27. Renewal of share certificates**

No certificate of any Share or Shares shall be issued either in exchange for those, which are subdivided or consolidated or in replacement of those which are defaced, torn or old, decrepit,

worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.

PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.

**28. Issue of new certificate in place of one defaced, lost or destroyed**

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to Debentures of the Company.

**29. The first name joint holder deemed sole holder**

If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.

**30. Issue of Shares without Voting Rights**

In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

**31. Buy-Back of Shares and Securities**

Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 67 and SEBI (Buy Back of Shares) Regulations as may be permitted by law.

**32. Employees Stock Options Scheme/Plan**

The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary

and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

**33. Sweat Equity**

Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

**34. Postal Ballot**

The Company may pass such resolution by postal ballot in the manner prescribed by Section 110 of the Companies Act, 2013 and such other applicable provisions of the Act and any future amendments or re-enactment thereof and as may be required by any other law including Listing Regulations as amended from time to time. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

**35. Company not bound to recognize any interest in Shares other than of registered holder**

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

**36. Trust recognized**

- (a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
- (b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

**37. Declaration by person not holding beneficial interest in any Shares**

- (1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act

within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.

- (2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.
- (3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act
- (4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

**38. Funds of Company not to be applied in purchase of Shares of the Company**

No funds of the Company shall except as provided by Section 67 of the Companies Act, 2013 be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 52, 55 (to the extent applicable) of Companies Act, 2013 and these Articles or in giving either directly or indirectly and whether by means of a loan, 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 Share in the Company in its holding Company.

***Underwriting and Brokerage***

**39. Commission may be paid**

Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company.

**40. Brokerage**

The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.

**41. Commission to be included in the annual return**

Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Section 92 to the Companies Act, 2013.

***Debentures***

**42. Debentures with voting rights not to be issued**

- (a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.

- (b) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 327 of the Companies Act, 2013.
- (c) Certain charges (which expression includes mortgage) mentioned in Section 77 of the Companies Act, 2013 shall be void against the Liquidator or creditor unless registered as provided in Section 77 of the Companies Act, 2013.
- (d) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.
- (e) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 56 of the Companies Act, 2013) within six months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture- stock allotted or transferred.
- (f) The Company shall comply with the provisions of Section 71 of the Companies Act, 2013 as regards supply of copies of Debenture Trust Deed and inspection thereof.
- (g) The Company shall comply with the provisions of Section 2(16), 77 to 87 (inclusive) of the Companies Act, 2013 as regards registration of charges.

### ***Calls***

#### **43. Directors may make calls**

- (a) Subject to the provisions of Section 49 of the Companies Act, 2013 the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.
- (b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

#### **44. Notice of call when to be given**

Not less than fourteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call amount shall be paid.

#### **45. Call deemed to have been made**

A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

46. **Directors may extend time**

The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.

47. **Amount payable at fixed time or by installments to be treated as calls**

If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

48. **When interest on call or installment payable**

If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding ten percent per annum as Directors shall fix from the day appointed for the payment thereof up to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

49. **Evidence in action by Company against share holder**

On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting 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.

50. **Payment in anticipation of calls may carry interest**

The Directors may, if they think fit, subject to the provisions of Section 50 of the Companies Act, 2013, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

## *Lien*

### 51. **Partial payment not to preclude forfeiture**

Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

### 52. **Company's lien on Shares/ Debentures**

The Company shall have first and paramount lien upon all Shares/Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.

### 53. **As to enforcing lien by sale**

The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same. PROVIDED THAT no sale shall be made:-

- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their members to execute a transfer there from on behalf of and in the name of such Members

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 in reference to the sale.

### 54. **Application of proceeds of sale**

- (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and
- (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

### *Forfeiture of Shares*

**55. If money payable on Shares not paid notice to be given**

If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

**56. Sum payable on allotment to be deemed a call**

For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

**57. Form of notice**

The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.

**58. In default of payment Shares to be forfeited**

If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

**59. Notice of forfeiture to a Member**

When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

**60. Forfeited Shares to be the property of the Company and may be sold etc.**

Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

**61. Member still liable for money owing at the time of forfeiture and interest**

Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen

percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.

**62. Effects of forfeiture**

The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.

**63. Power to annul forfeiture**

The Board of Directors may at any time before any Share so forfeited shall have been sold, re- allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

**64. Declaration of forfeiture**

- (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
- (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
- (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
- (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.
- (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.

**65. Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum**

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**66. Cancellation of shares certificates in respect of forfeited Shares**

Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to

issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

**67. Evidence of forfeiture**

The declaration as mentioned in Article 64(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

**68. Validity of sale**

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

**69. Surrender of Shares**

The Directors may subject to the provisions of the Act, accept surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.

***Transfer and Transmission of Shares***

**70. No transfers of Shares to minors etc.**

No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

**71. Instrument of Transfer**

The instrument of transfer shall be in writing and all provisions of Section 56 of the Companies Act, 2013 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

**72. Application for Transfer**

- (a) An application for registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee.
- (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

**73. Execution of Transfer**

The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed

to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 56 of the Companies Act, 2013 and any statutory modification thereof for the time being shall be duly complied with.

**74. Transfer by legal representatives**

A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.

**75. Register of Members etc. when closed**

The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders, in accordance with Section 91 of the Companies Act, 2013 and rules made thereunder, at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.

**76. Directors may refuse to register transfer**

Subject to the provisions of Section 58 & 59 of the Companies Act, 2013, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to 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, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

**77. Death of one or more joint holders of Shares**

In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.

**78. Titles of Shares of deceased Member**

The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name

of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 and 56 of the Companies Act, 2013.

**79. Notice of application when to be given**

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Companies Act, 2013.

**80. Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)**

Subject to the provisions of the Act and Article 77 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".

**81. Refusal to register nominee**

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

**82. Person entitled may receive dividend without being registered as a Member**

A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

**83. No fee on transfer or transmissions**

No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.

**84. Transfer to be presented with evidence of title**

Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

**85. Company not liable for disregard of a notice prohibiting registration of transfer**

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons

having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to 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 to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### ***Conversion of Shares into Stock and Reconversion***

**86. Share may be converted into stock**

The Company may, by Ordinary Resolution convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.

**87. Transfer of stock**

The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under 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 stock arose.

**88. Right of Stock holders**

The holders of stock shall, according to the amount of stock held by them have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them in Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.

**89. Regulation applicable to stock and share warrant**

Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Shareholder" in these regulations shall include "stock" and "stock holder" respectively.

#### ***Borrowing Powers***

**90. Power to borrow**

Subject to the provisions of Sections 73, 74 and 179 of the Companies Act, 2013 and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source.

PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free

reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

**91. The payment or repayment of moneys borrowed**

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

**92. Bonds, Debentures, etc. to be subject to control of Directors**

Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.

**93. Terms of issue of Debentures**

Any Debentures, Debenture-stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

**94. Mortgage of uncalled capital**

If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.

**95. Indemnity may be given**

Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or about to incur any liability as principal or surety for the payment of any sum primarily due from the Company, the Directors 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 person so becoming liable as aforesaid from any loss in respect of such liability.

***Related Party Transactions***

**96. Related Party Transactions**

- a) Subject to the provisions of the Act, the Company may enter into contracts with the Related Party which are at arm's length and are in ordinary course of business of the company with approval of the Audit Committee.

- b) Subject to the provisions of the Act, the Company may enter into contracts with the related parties which are of such nature wherein it requires consent of shareholders in terms of Act or Listing Regulations or any other law for the time being in force, with approval of the shareholders in the general meeting.

### ***Meeting of Members***

#### **97. Annual General Meeting**

- i. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next.
- ii. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time with which any Annual General Meeting may be held.
- iii. Every Annual General Meeting shall be called at a time during business hours i.e. 9 a.m. to 6 p.m., on a day that is not a National holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- iv. The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting.
- v. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor.
- vi. At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting.
- vii. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 92 and 137 of the Act.

#### **98. Report statement and registers to be laid before the Annual General Meeting**

The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.

#### **99. Extra-Ordinary General Meeting**

All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.

#### **100. Requisitionists' Meeting**

- (1) Subject to the provisions of Section 111 of the Companies Act, 2013, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified:-

- (a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.
  - (b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.
- (2) The number of Members necessary for a requisition under clause (1) hereof shall be such number of Members as represent not less than one-tenth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or
- (3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.
- (4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:
- (a) A copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.
    - i. In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting;
    - ii. In the case of any other requisition, not less than two weeks before the Meeting, and
  - (b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company's expenses in giving effect thereto.

PROVIDED THAT if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes thereof.

- (5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Company Law Board is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.
- (6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed

to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

**101. Extra-Ordinary General Meeting by Board and by requisition**

- (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.

**When a Director or any two Members may call an Extra- Ordinary General Meeting**

- (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra- Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

**102. Contents of requisition, and number of requisitionists required and the conduct of Meeting**

- (1) In case of requisition the following provisions shall have effect:
  - (a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
  - (b) The requisition may consist of several documents in like form each signed by one or more requisitionists.
  - (c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.
  - (d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (c) shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.
  - (e) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:
    - (i) by the requisitionists themselves; or
    - (ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) whichever is less.

PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed

not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 114 of the Companies Act, 2013.

- (2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:
  - (a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but
  - (b) shall not be held after the expiration of three months from the date of deposit of the requisition.

PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.

- (3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.
- (4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

**103. Length of notice of Meeting**

- (1) A General Meeting of the Company may be called by giving not less than twenty-one days' notice in writing.
- (2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:
  - (i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and
  - (ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.

PROVIDED THAT where any Members of the Company are 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 the purposes of this clause in respect of the former resolutions and not in respect of the later.

**104. Contents and manner of service of notice and persons on whom it is to be served**

- (1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.
- (2) Subject to the provisions of the Act notice of every General Meeting shall be given;
  - (a) to every Member of the Company, in any manner authorized by Section 20 of the Companies Act, 2013;

- (b) to the persons entitled to a Share in consequence of the death or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, 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 giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
  - (c) to the Auditor or Auditors for the time being of the Company
- (3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.

**105. Special and ordinary business and explanatory statement**

- (1) (a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to:
    - (i) the consideration of the accounts, balance sheet, the reports of the Board of Directors and Auditors;
    - (ii) the declaration of dividend;
    - (iii) the appointment of Directors in the place of those retiring; and
    - (iv) the appointment of, and the fixing of the remuneration of the Auditors, and
  - (b) In the case of any other meeting, all business shall be deemed special.
- (2) Where any items of business to be transacted at the Meeting of the Company are 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.
- PROVIDED THAT where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up share capital of the other company.
- (3) 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.

**106. Omission to give notice not to invalidate Proceedings**

The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.

### ***Meeting of Members***

#### **107. Notice of business to be given**

No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.

#### **108. Quorum**

The quorum for General Meetings shall be as under:-

- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand;
- (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
- (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

No business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 113 of the Companies Act, 2013.

#### **109. If quorum not present when Meeting to be dissolved and when to be Adjourned**

If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.

#### **110. Resolution passed at adjourned Meeting**

Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

#### **111. Chairman of General Meeting**

At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.

**112. Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required**

Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.

**113. Business confined to election of Chairman whilst the Chair is vacant**

No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.

**114. Chairman may adjourn Meeting**

- (a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place.
- (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place
- (c) 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.
- (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.

**115. How questions are decided at Meetings**

Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.

**116. Chairman's declaration of result of voting on show of hands**

A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.

**117. Demand of poll**

Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

**118. Time of taking poll**

A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-

eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.

**119. Chairman's casting vote**

In the case of equality of votes, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

**120. Appointment of Scrutineers**

Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

**121. Demand for poll not to prevent transaction of other business**

The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.

**122. Special notice**

Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, the notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

*Votes of Members*

**123. Member paying money in advance not to be entitled to vote in respect thereof**

A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.

**124. Restriction on exercise of voting rights of Members who have not paid calls**

No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

**125. Number of votes to which Member entitled**

Subject to the provisions of Article 123, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person

(or being a body corporate present by a representative duly authorized) have one vote and on a poll, when present in person (including a body corporate by a duly authorized representative), or by an agent duly authorized under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company.

Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in sub-section (2) of Section 47 of Companies Act, 2013) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares.

A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.

**126. Votes of Members of unsound mind**

A Member of unsound mind, or in respect of whom 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.

**127. Votes of joint Members**

If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorized under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorized under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.

**128. Representation of body corporate**

- (a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorize such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorized by resolutions 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 that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.
- (b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to

exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.

**129. Votes in respects of deceased or insolvent Members**

Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

**130. Voting in person or by Proxy**

Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorized in accordance with Section 105 of the Companies Act, 2013.

**131. Rights of Members to use votes differently**

On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses

**132. Proxies**

Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. PROVIDED that a proxy so appointed shall not have any right whatsoever to speak at the Meeting.

Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.

**133. Proxy either for specified meeting or for a period**

An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.

**134. No proxy to vote on a show of hands**

No proxy shall be entitled to vote by a show of hands.

**135. Instrument of proxy when to be deposited**

The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarial certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.

**136. Form of Proxy**

Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms as prescribed in the Companies Act, 2013, and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorized by it.

**137. Validity of votes given by proxy notwithstanding revocation of authority**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.

**138. Time for objection to vote**

No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.

**139. Chairman of any Meeting to be the judge of Validity of any value**

The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.

**140. Custody of Instrument**

If any such instrument of appointment is confined to the object of appointing an attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

***Directors***

**141. Number of Directors**

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Companies Act, 2013, the number of Directors shall not be less than three and not more than fifteen.

**141. (A) First Directors of the Company**

First Directors of the Company were:

- i. Manoj Kumar Gupta
- ii. Sindhu Gupta

**142. Appointment of Directors**

The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.

**143. Debenture Directors**

Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint 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 liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.

**144. Nominee Director or Corporation Director**

- (a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (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 persons so appointed and to appoint any person or persons in his/their places.
- (b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.
- (c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/ s so appointed in exercise of the said power, shall ipso facto vacate such office immediately on the moneys owing by the Company to the Corporation being paid off.
- (d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys

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 or 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/are an officer(s) of the Corporation.

Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.

**145. Special Director**

- (a) In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein- after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.
- (b) The collaborators may at any time and from time to time remove any such special 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 special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.
- (c) It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

**146. Limit on number of non-retiring Directors**

The provisions of Articles 143, 144 and 145 are subject to the provisions of Section 152 of the Companies Act, 2013 and number of such Directors appointed shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

**147. Alternate Director**

The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities

of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.

**148. Directors may fill in vacancies**

The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.

**149. Additional Directors**

Subject to the provisions of Section 161 of the Companies Act, 2013 the Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only up to the date of the next Annual General Meeting and shall be eligible for election at such Meeting.

**150. Qualification shares**

A Director need not hold any qualification shares.

**151. Directors' sitting fees**

The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

**152. Extra remuneration to Directors for special work**

Subject to the provisions of Sections 188 and 197 of the Companies Act, 2013, if any Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.

Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:

- i. by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- ii. by way of commission if the Company by a Special Resolution authorized such payment.

**153. Traveling expenses incurred by Directors on Company's business**

The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.

**154. Director may act notwithstanding vacancy**

The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.

**155. Board resolution necessary for certain contracts**

(1) Subject to the provisions of Section 188 of the Companies Act, 2013, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company:

- (a) For the sale, purchase or supply of goods, materials or services; or
- (b) for underwriting the subscription of any Share in or debentures of the Company;
- (c) nothing contained in clause (a) of sub-clause (1) shall affect:-
  - (i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
  - (ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business.

PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

- (d) Notwithstanding any contained in sub-clause (1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.

- (e) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which was entered into.
- (f) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.
- (g) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realized by any such contract or the fiduciary relation thereby established.

**156. Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Whole-time Director**

When the Company:-

- (a) enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 190 of the Companies Act, 2013 shall be complied with.

**157. Directors of interest**

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Companies Act, 2013.

**General Notice of Disclosure**

- (b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 184 of the Companies Act, 2013 shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

**158. Directors and Managing Director may contract with Company**

Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or 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 be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that

office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 184 of the Companies Act, 2013 and in this respect all the provisions of Section 184 and 189 of the Companies Act, 2013 shall be duly observed and complied with.

**159. Disqualification of the Director**

A person shall not be capable of being appointed as a Director of the Company if:-

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an un-discharged insolvent;
- (c) he has applied to be adjudged an insolvent and his application is pending;
- (d) he has been convicted by a Court of any offence involving moral turpitude 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;
- (e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or
- (f) an order disqualifying him for appointment as Director has been passed by a Court, unless the leave of the Court has been obtained for his appointment.

**160. Vacation of office by Directors**

The office of Director shall become vacant if:-

- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (b) he applies to be adjudged an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or
- (e) 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 unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or
- (f) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 185 of the Companies Act, 2013; or
- (g) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 184 of the Companies Act, 2013; or

- (h) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or
- (i) if by notice in writing to the Company, he resigns his office, or
- (j) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

**161. Vacation of office by Directors (contd.)**

Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 160 hereof, the disqualification referred to in these 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 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 of; or
- (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

**162. Removal of Directors**

- a) The Company may subject to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 242 of the Companies Act, 2013 before the expiry of his period of office.
- (b) Special Notice as provided by these Articles or Section 115 of the Companies Act, 2013 shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.
- (c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.
- (d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:
  - (i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and
  - (ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were

received too late) or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting:

Provided that copies of the representation need not be sent or read out at the Meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.

(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 161 of the Companies Act, 2013 be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under sub-clause (e) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 148 or Section 161 of the Companies Act, 2013 and all the provisions of that Article and Section shall apply accordingly

Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(g) Nothing contained in this Article shall be taken:-

- (i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director, or
- (ii) as derogating from any power to remove a Director which may exist apart from this Article.

**163. Interested Directors not to participate or vote in Board's proceedings**

No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void.

Provided however, that nothing herein contained shall apply to:-

- (a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;
  - (i) in his being:
    - (a) a director of such company; and
    - (b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or

- (ii) in his being a member holding not more than two percent of its paid-up share capital.

**164. Director may be director of companies promoted by the Company**

A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 197 or Section 188 of the Companies Act, 2013 may be applicable.

***Rotation and Appointment of Directors***

**165. Rotation of Directors**

Not less than two third of the total number of Directors shall:

- (a) Be persons whose period of the office is liable to termination by retirement by rotation and
- (b) Save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

**166. Retirement of Directors**

Subject to the provisions of Articles 145 and 147, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.

**167. Retiring Directors**

Subject to the provisions of Section 152 of the Companies Act, 2013 and Articles 143 to 154, at every Annual General Meeting of the Company, one- third or such of the Directors for the time being as are liable to retire by rotation. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 180, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.

**168. Appointment of Technical or Executive Directors**

- (a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.
- (b) Subject to the provisions of Section 161 of the Companies Act, 2013 if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

**169. Ascertainment of Directors retiring by rotation and filling of vacancies**

Subject to Section 152 of the Companies Act, 2013 the Directors retiring by rotation under Article 167 at every Annual General Meeting shall be those, who have been longest in office

since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.

**170. Eligibility for re-election**

A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the Meeting at which he retires.

**171. Company to fill vacancies**

At the General Meeting, at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

**172. Provision in default of appointment**

- (a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:
  - (i) at that Meeting or the previous Meeting a resolution for the re- appointment of such Director has been put to the Meeting and lost.
  - (ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed.
  - (iii) he is not qualified or is disqualified for appointment.
  - (iv) a resolution, whether Special or Ordinary is required for his appointment or re- appointment by virtue of any provisions of the Act, or
  - (v) section 162 of the Companies Act, 2013 is applicable to the case

**173. Company may increase or reduce the number of Directors or remove any Director**

Subject to the provisions of Section 149 and 152 of the Companies Act, 2013 the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.

**174. Appointment of Directors to be voted individually**

- (a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.
- (b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.

- (c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

**175. Notice of candidature for office of Directors except in certain cases**

- (1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days' notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of one lakh rupees or such higher amount as may be prescribed 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 twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.
- (2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office in such manner as may be prescribed.
- (3) Every person (other than Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Companies Act, 2013 signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.
- (4) A person other than:
  - (a) a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or
  - (b) an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Companies Act, 2013 appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.

**176. Disclosure by Directors of their holdings of their Shares and debentures of the Company**

Every Director and every person deemed to be Director of the Company by virtue of Section 170 of the Companies Act, 2013 shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.

**177. Votes of Body Corporate**

A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified

by a director or the copy of the Minutes of such resolution certified by a Director or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.

### ***Managing Director***

#### **178. Powersto appoint Managing Director**

Subject to the provisions of Section 196 and 203 of the Companies Act, 2013 the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole-time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

- (a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and Companies Act, 1956, to the extent applicable.
- (b) Subject to the provisions of Section 152 of the Companies Act, 2013 the Managing Director shall not be, while he continues to hold that office, subject to retirement by rotation.

#### **179. Remuneration of Managing Director**

Subject to the provisions of Sections 196 and 197 of the Companies Act, 2013 a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.

#### **180. Special position of Managing Director**

Subject to any contract between him and the Company, a Managing or Whole- time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

#### **181. Powersof Managing Director**

The Director may from time to time entrust to and confer upon a Managing Director or Whole- time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.

#### **182. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole- time Directors of the Company and may exercise all the powers referred to in these Articles.**

183. Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign, accept and endorse cheques on behalf of the Company.
184. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
185. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.
186. **Appointment and powers of Manager**

The Board may, from time to time, appoint any person as Manager (under Section 2(53) of the Companies Act, 2013) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient.

#### ***Whole Time Director***

187. **Power to appoint Whole-Time Director and/or Whole-time Directors**

Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine and thinks fit. The Board may by ordinary resolution and/or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers, authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period or periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and/or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors/persons nominated under Article 188 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.

188. **To what provisions Whole time Directors shall subject**

Subject to the provisions of Section 152 of the Companies Act, 2013 and these Articles, a Whole Time Director or Whole Time Directors shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between

him/they and the Company) he/they shall be subject to the same provision as to resignation and removal as the other Directors and he/they shall ipso facto and immediately ceases or otherwise cease to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act in any Annual General Meeting and shall be re-appointed as a Director or Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.

**189. Seniority of Whole Time Director and Managing Director**

If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article, the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company.

***Proceedings of the Board of Directors***

**190. Meeting of Directors**

The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 173 of the Companies Act, 2013 allow otherwise, Directors shall so meet at least once in every three months and at least four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.

**191. Quorum**

(a) Subject to Section 174 of the Companies Act, 2013 the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and 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 at any meeting exceeds or is equal to two-third 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.

(b) For the purpose of clause (a):

(i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and

(ii) "Interested Directors" mean any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.

**182. Procedure when Meeting adjourned for want of quorum**

If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand adjourned till the same day in the next week, at the same time and place,

or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.

**193. Chairman of Meeting**

The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.

**194. Question at Board Meeting how decided**

Subject to the provisions of Section 203 of the Companies Act, 2013 questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.

**195. Powers of Board meeting**

A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.

**196. Directors may appoint Committee**

The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Companies Act, 2013 and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.

**197. Meeting of the Committee how to be governed**

The meetings and proceedings of any such Committee of the Board 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 are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.

**198. Circular resolution**

(a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 197 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.

(b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their

usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

**199. Acts of Board or Committee valid notwithstanding defect in appointment**

All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

***Powers of the Board***

**200. General powers of management vested in the Board of Directors**

The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, 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 Board which would have been valid if that regulation had not been made.

Provided that the Board shall not, except with the consent of the Company in General Meeting:-

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;
- (b) remit, or give time for the repayment of, any debt due by a Director,
- (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- (d) borrow moneys where 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), will 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;
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided

that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;

- (i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) of as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)
- (ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

**201. Certain powers to be exercised by the Board only at Meetings**

- (1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;
  - (a) the power to make calls, on shareholders in respect of money unpaid on their Shares,
  - (b) the power to issue Debentures,
  - (c) the power to borrow moneys otherwise than on Debentures,
  - (d) the power to invest the funds of the Company, and
  - (e) the power to make loans

Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub- clause (c),(d) and (e) to the extent specified below.

- (2) Every resolution delegating the power referred to in sub-clause (1)(c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.
- (3) Every resolution delegating the power referred to in sub-clause (1)(d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.
- (4) Every resolution delegating the power referred to in sub-clause (1)(e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

**202. Certain powers of the Board**

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:

- (1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
- (3) Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, 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 thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (6) To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (8) 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 payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.
- (9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (12) To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability whether as

principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

- (13) To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (14) To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of the working expenses of the Company.
- (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.
- (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

- (17) To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, laborers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (18) To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.
- (19) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.
- (20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorize the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- (21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) 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 any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.
- (22) Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (23) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

- (24) To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.
- (25) To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (26) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- (27) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.
- (28) To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
- (29) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.
- (30) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on freehold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.
- (31) To improve, manage, develop, exchange, lease, sell, resell and re- purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- (32) To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
- (33) Generally subject to the provisions of the Act and these Articles, to delegate the powers/ authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
- (34) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

## ***Management***

### **203. Appointment of different categories of Key managerial personnel**

The Company shall have the following whole-time key managerial personnel,-

- (i) managing director, or Chief Executive Officer or manager and in their absence, a whole- time director;
- (ii) company secretary; and
- (iii) Chief Financial Officer

### **203. (A) Same person may be Chairperson of the Board and MD/CEO**

The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

## ***Minutes***

### **204. Minutes to be made**

- (1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed:
  - (a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
  - (b) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.

### **205. Minutes to be evidence of the proceeds**

- (a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

### **Books of minutes of General Meeting to be kept**

- (b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 119 and Section 120 of the Companies Act, 2013 and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.

### **206. Presumptions**

Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the

provisions of Section 118 of the Companies Act, 2013 until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

### ***The Secretary***

#### **207. Secretary**

The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called "the Secretary") to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies Act, read with rules made thereunder.

#### **208. The Seal, its custody and use**

- (a) The Board shall provide for the safe custody of the seal.
- (b) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

### ***Dividends and Capitalisation of Reserves***

#### **209. Division of profits**

- (a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;
- (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

#### **210. The Company at General Meeting may declare dividend**

The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Companies Act, 2013 but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.

#### **211. Dividends out of profits only**

No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 123 of the Companies Act, 2013.

212. **Interim Dividend**

The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.

213. **Debts may be deducted**

(a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.

214. **Capital paid-up in advance to carry interest, not the right to earn dividend**

Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

215. **Dividends in proportion to amounts paid-up**

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 provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.

216. **No Member to receive dividend while indebted to the Company and the Company's right in respect thereof**

No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.

217. **Effect of transfer of Shares**

A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

218. **Dividend to joint holders**

Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

219. **Dividend how remitted**

The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may

in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

**220. Notice of Dividend**

Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.

**221. Reserves**

The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied 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 Directors may from time to time think fit.

**222. Dividend to be paid within time required by law**

The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-

- (a) where the dividend could not be paid by reason of the operation on any law; or
- (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or
- (c) where there is dispute regarding the right to receive the dividend; or
- (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or
- (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

**223. Unpaid or unclaimed dividend**

- (a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called " Envirotech Systems Limited (year)Unpaid Dividend Account".
- (b) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 125 of the Companies Act, 2013.
- (c) No unclaimed or unpaid dividend shall be forfeited by the Board.

**224. Set-off of calls against dividends**

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount 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 the Members, be set off against the calls.

**225. Dividends in cash**

No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

**226. Capitalisation**

- (1) The Company in General Meeting may, upon the recommendation of the Board, resolve:
  - (a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and
  - (b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;
  - (a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or
  - (b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or
  - (c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)
- (3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.

**227. Board to give effect**

The Board shall give effect to the resolution passed by the Company in pursuance of above Article.

**228. Fractional certificates**

- (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;
  - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and
  - (b) Generally do all acts and things required to give effect thereto.

- (2) The Board shall have full power:
  - (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
  - (b) to authorize 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 capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.
- (3) Any agreement made under such authority shall be effective and binding on all such Members.
- (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

#### *Accounts*

##### **229. Books to be kept**

- (1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:
  - (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place
  - (b) all sales and purchases of goods by the Company
  - (c) the assets and liabilities of the Company and
  - (d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Govt.

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.

##### **230. Inspection by Members**

No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorized by the Board.

**231. Statements of accounts to be furnished to General Meeting**

The Board of Directors shall from time to time in accordance with Sections 129, 133, and 134 of the Companies Act, 2013, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet 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 extended period as shall have been granted by the Registrar under the provisions of the Act.

**232. Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 136**

- (1) The Company shall comply with the requirements of Section 136 of the Companies Act, 2013.
- (2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.
- (3) A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.

**233. Accounts to be audited**

Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.

**234. Appointment of Auditors**

- (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 146 of the Companies Act, 2013.
- (2) The Company shall at each Annual General Meeting appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting. The company shall place the matter relating to such appointment for ratification by members at every annual general meeting. The company shall also inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.
- (3) The company or shall not appoint or re-appoint-
  - (a) an individual as auditor for more than one term of five consecutive years; and
  - (b) an audit firm as auditor for more than two terms of five consecutive years:  
Provided that-
    - (i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term;

- (ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term:
- (4) Subject to the provisions of Clause (1) and the rules made thereunder, a retiring auditor may be re-appointed at an annual general meeting, if-
  - (a) he is not disqualified for re-appointment;
  - (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
  - (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.
- (5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.
- (6) Any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting.
- (7) Special notice shall be required for a resolution at an annual general meeting appointing as auditor a person other than a retiring auditor, or providing expressly that a retiring auditor shall not be re-appointed, except where the retiring auditor has completed a consecutive tenure of five years or, as the case may be, ten years, as provided under Clause (3).

### ***Documents and Notices***

#### **235. To whom documents must be served or given**

Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company

#### **236. Members bound by documents or notices served on or given to previous holders**

Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.

#### **237. Service of documents on the Company**

A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.

#### **238. Authentication of documents and proceedings**

Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the

Secretary or other authorized officer of the Company and need not be under the Seal of the Company.

### ***Registers and Documents***

#### **239. Registers and documents to be maintained by the Company**

The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

- (a) Register of investments made by the Company but not held in its own name, as required by Section 187 of the Companies Act, 2013
- (b) Register of mortgages and charges as required by Section 85 of the Companies Act, 2013 and copies of instruments creating any charge requiring registration according to Section 85 of the Companies Act, 2013.
- (c) Register and index of Members and debenture holders as required by Section 88 of the Companies Act, 2013.
- (d) Foreign register, if so thought fit, as required by Section 88 of the Companies Act, 2013.
- (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Companies Act, 2013.
- (f) Register of Directors and Secretaries etc. as required by Section 170 of the Companies Act, 2013.
- (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 170 of the Companies Act, 2013.
- (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 186 of the Companies Act, 2013.
- (i) Copies of annual returns prepared under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Companies Act, 2013.

#### **240. Inspection of Registers**

The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

### ***Winding Up***

#### **241. Distribution of assets**

If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be

distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

**242. Distribution in specie or kind**

- (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any 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 liquidator, with the like sanction, shall think fit.
- (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.
- (c) In case any Shares to be divided as aforesaid involve 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 Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

**243. Right of shareholders in case of sale**

A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.

**244. Directors and others right to indemnity**

Every Director or officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, 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, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings

whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.

**245. Director, officer not responsible for acts of others**

Subject to the provisions of Section 201 of the Act, no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the 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 security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

*Secrecy Clause*

**246. Secrecy Clause**

Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

**247. No Member to enter the premises of the Company without permission**

No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire 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, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose. General

**248. General Power**

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.



## SECTION XV – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected online with Registrar of Companies and at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

#### **Material Contracts**

1. Memorandum of Understanding dated April 01st, 2024 between our Company Book Running Lead Manager to the Issue.
2. Agreement dated April 24th, 20214 executed between our Company and the Registrar to the Issue.(Bigshare Services Private Limited)
3. Market Making Agreement dated April 17th, 2024 between our Company, Book Running Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated April 17th, 2024 between our Company, Book Running Lead Manager and Underwriters.
6. Tripartite Agreement dated January 11th, 2024 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated February 02nd, 2024 among NDSL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated February 09, 2007 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana.
3. Fresh Certificate of Incorporation dated June 01, 2009 issued to our Company by the Registrar of Companies, National Capital Territory of Delhi and Haryana pursuant to name change.
4. Fresh Certificate of Incorporation dated June 03rd, 2022 issued by the Registrar of Companies, NCT of Delhi consequent upon conversion of the Company to Public Company.
5. Copy of the Board Resolution dated March 23th,2024 authorizing the Issue and other related matters.
6. Copy of Shareholder's Resolution dated March 29th,2024 authorizing the Issue and other related matters.
7. Copies of Standalone Audited Financial Statements of our Company for the period ended December 31, 2023, and years ended March 31, 2023, 2022 & 2021.
8. Peer Review Auditors Report dated January 17<sup>th</sup>, 2024 on Restated Standalone Financial Statements of our Company for the period ended December 31, 2023 and for the years ended March 31, 2023, 2022 & 2021.
9. Copy of the Statement of Tax Benefits dated April 23<sup>rd</sup>, 2024 from the Statutory Auditor.
10. Certificate from the Statutory Auditor of the Company dated April 23<sup>rd</sup>, 2024 with respect to the KPIs disclosed in this Draft Red Herring Prospectus.

11. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to our Company, Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.
12. Board Resolution dated April 29<sup>th</sup>, 2024 for approval of Draft Red Herring Prospectus, dated [●] for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
13. Due Diligence Certificate from Book Running Lead Manager dated [●] filed with SEBI.
14. In principle listing approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge.

Any of the contracts or documents mentioned in the 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, with the consent of shareholder's 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/regulations issued by the Government of India or the guidelines/ regulations issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Red Herring Prospectus. No statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF OUR COMPANY:**

SD/-

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**Mr. Manoj Kumar Gupta**  
*Managing Director*  
DIN: 01187138

SD/-

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**Ms. SINDHU GUPTA**  
*Director*  
DIN: 01190580

SD/-

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**Mr. Rakesh Gupta**  
*Non-Executive Director*  
DIN: 01145603

SD/-

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**Mr. Gaurav Bajpai**  
*Independent Director*  
DIN: 02291802

SD/-

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**Mr. Rohit Kumar**  
*Independent Director*  
DIN: 10515418

SD/-

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**Mr. Sachin Kumar**  
*Independent Director*  
DIN: 09233592

### **SIGNED BY THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY: -**

SD/-

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**Mr. Vikas Khanna**  
*Chief Executive officer*

SD/-

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**Mr. Ashok Kumar Shekhawat**  
*Chief Financial Officer*

SD/-

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**Ms. Pallvi Sharma**  
*Company Secretary and Compliance Officer*

**Date – 29/04/2024**  
**Place – Delhi**