

**DRAFT PROSPECTUS**

Dated May 25, 2024

Please read section 26 of the Companies Act 2013



(The Draft Prospectus will be updated upon filing with the RoC)

**100% Fixed Price Issue**

(Please Scan this QR Code to view Draft Prospectus)

**HP TELECOM INDIA LIMITED**

Corporate Identity Number: U51395GJ2011PLC064616

REGISTERED OFFICE		CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot No – 97, 01 <sup>st</sup> Floor, Om Square, Near Ishwar Farm, BRTS Canal Road, Bhatar, Althan, Surat 395017, Gujarat, India		Barkha Jain, <i>Company Secretary and Compliance Officer</i>	<b>E-mail:</b> <a href="mailto:compliancehpti@gmail.com">compliancehpti@gmail.com</a> <b>Telephone:</b> +91 9825309977	<a href="http://www.hvcipl.com">www.hvcipl.com</a>
<b>OUR PROMOTERS: VIJAY LALSINGH YADAV, SEEMABAHEN VIJAY YADAV AND BHARATLAL LALSINGH SINGH</b>				
<b>DETAILS OF THE PUBLIC ISSUE</b>				
TYPE	FRESH ISSUE SIZE	TOTAL ISSUE SIZE	Eligibility 229(1) / 229(2) & Share Reservation among NII &RII	
Fresh Issue	Up to 31,69,200 Equity Shares aggregating up to ₹[●] lakhs	Up to ₹[●] lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI (ICDR) Regulations. As the Company's post issue paid up capital is more than ₹10.00 Crores and up to ₹25.00 Crore.	
<b>RISKS IN RELATION TO THE FIRST ISSUE</b>				
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 and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under chapter titled “ <i>Basis for Issue Price</i> ” beginning on page 71 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>				
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to section titled “ <i>Risk Factors</i> ” appearing on page 21.				
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 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 this Draft Prospectus are proposed to be listed on the EMERGE platform of National Stock Exchange of India Limited (“NSE”). Our Company has received an 'in-principle' approval letter dated [●] from NSE for using its name in this Issue Document for listing our shares on the EMERGE Platform of the NSE. For the purpose of this Issue, the Designated Stock Exchange will be NSE. (“NSE”). A signed copy of the Prospectus shall be delivered for filing with the RoC in accordance with Section 26(4) of the Companies Act.				
<b>LEAD MANAGER</b>			<b>REGISTRAR TO THE ISSUE</b>	
 <b>INTERACTIVE FINANCIAL SERVICES LIMITED</b> <b>Address:</b> Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad – 380 015, Gujarat, India <b>Tel No.:</b> 079 4908 8019 <b>(M)</b> +91-9898055647 <b>Web Site:</b> <a href="http://www.ifnservices.in">www.ifnservices.in</a> <b>Email:</b> <a href="mailto:mbd@ifnservices.in">mbd@ifnservices.in</a> <b>Investor Grievance Email:</b> <a href="mailto:info@ifnservices.in">info@ifnservices.in</a> <b>Contact Person:</b> Pradip Sandhir <b>SEBI Reg. No.:</b> INM000012856			 <b>BIGSHARE SERVICES PRIVATE LIMITED</b> <b>Address:</b> Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093 <b>Tel No.:</b> +91 22-62638200 <b>Fax No.:</b> +91 22-62638299 <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>E-Mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Contact Person:</b> Sagar Pathare <b>SEBI Reg. No.:</b> INR000001385	
<b>ISSUE PROGRAMME</b>				
<b>ISSUE OPENS ON:</b>		[●]		
<b>ISSUE CLOSES ON:</b>			[●]	



DRAFT PROSPECTUS

Dated May 25, 2024

Please read section 26 of the Companies Act 2013  
(The Draft Prospectus will be updated upon filing with the RoC)

100% Fixed Price Issue

(Please Scan this QR Code to view Draft Prospectus)



**HP TELECOM INDIA LIMITED**

Our Company was incorporated on March 26, 2011 as 'HP Telecom India Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 26, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted to a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on January 29, 2024 and the name of our Company was changed from "HP Telecom India Private Limited" to "HP Telecom India Limited", pursuant conversion from private to public company and a fresh certificate of incorporation dated February 26, 2024 issued by the Registrar of Companies. For details of change in the name and registered office of our Company, see "**History and Certain Corporate Matters**" on page 109.

**Registered Office:** Plot No – 97, 01<sup>st</sup> Floor, Om Square, Near Ishwar Farm, BRTS Canal Road, Bhatar, Althan, Surat 395017, Gujarat, India

**Contact Person:** Barkha Jain, Company Secretary and Compliance Officer; Tel: +91 9825309977

**E-mail:** [compliancehpti@gmail.com](mailto:compliancehpti@gmail.com) **Website:** [www.hvcipl.com](http://www.hvcipl.com)

**Corporate Identity Number:** U51395GJ2011PLC064616

**OUR PROMOTERS: VIJAY LALSINGH YADAV, SEEMABAHEN VIJAY YADAV AND BHARATLAL LALSINGH SINGH**

INITIAL PUBLIC OFFER OF UP TO 31,69,200 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") OF HP TELECOM INDIA LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹[●] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING UP TO ₹[●] LAKHS (THE "ISSUE") OF WHICH [●] EQUITY SHARES AGGREGATING TO ₹[●] LAKHS (CONSTITUTING UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION IS 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, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 194.

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

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations 2018 wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIIs and vice versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. For further details please refer the section titled "**Issue Related information**" beginning on page 194.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self-Certified Syndicate Banks ("SCSBs") for the same. Further pursuant to SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, for implementation of Phased II for UPI facility, which is effective from July 01, 2019, all potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts or UPI ID (in case of RIIs), in which the corresponding Application Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. For details, see "**Issue Procedure**" on page 204.

**RISKS IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "**Basis for Issue Price**" beginning on page 71 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to the section "**Risk Factors**" on page 21.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares issued through this Draft Prospectus are proposed to be listed on the NSE Emerge ("NSE Emerge"). Our Company has received an 'in-principle' approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the NSE Emerge. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A copy of the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 28 of the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Prospectus until the Issue Closing Date, see "**Material Contracts and Documents for Inspection**" on page 269.

**LEAD MANAGER**

**INTERACTIVE FINANCIAL SERVICES LIMITED**



**Address:** Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad – 380 015, Gujarat, India  
**Tel No.:** 079 4908 8019  
**(M)** +91-9898055647  
**Web Site:** [www.ifinservices.in](http://www.ifinservices.in)  
**Email:** [mbd@ifinservices.in](mailto:mbd@ifinservices.in)  
**Investor Grievance Email:** [info@ifinservices.in](mailto:info@ifinservices.in)  
**Contact Person:** Pradip Sandhir  
**SEBI Reg. No.:** INM000012856

**REGISTRAR TO THE ISSUE**



**BIGSHARE SERVICES PRIVATE LIMITED**  
**Address:** Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093  
**Tel No.:** +91 22-62638200  
**Fax No.:** +91 22-62638299  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**E-Mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Sagar Pathare  
**SEBI Reg. No.:** INR000001385

**ISSUE PROGRAMME**

ISSUE OPENS ON

[●]

ISSUE CLOSES ON

[●]

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

*The words and expressions used in this Draft Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations 2018, the Companies Act 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, the terms not defined but used in the chapters titled “**Industry Overview**”, “**Key Regulations and Policies in India**”, “**Statement of Special Tax Benefits**”, “**Basis for the Issue Price**”, “**Restated Financial Statement**”, “**Outstanding Litigations and Material Developments**”, and “**Main Provision of Articles of Association**” on pages 80, 102, 77, 71, 126, 173 and 231 respectively, shall have the meanings ascribed to such terms in the respective sections.*

#### General Terms

Term	Description
HP Telecom India Limited / The Company / Company / We / Us / Our Company	HP Telecom India Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at, Plot No. 97 01 <sup>st</sup> Floor, Om Square, Near Ishwar Farm, BRTS Canal Road, Bhatar, Althan, Surat 395017, Gujarat, India.
You / your / yours	Prospective Investors in this Issue.

#### Company Related Terms

Term	Description
AoA / Articles of Association / Articles	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Company, as described in " <b>Our Management</b> " on page 112.
Auditor / Statutory Auditor / Peer Review Auditor	The Statutory Auditors of our Company, being M/s. Aslot and Associates.
Board / Board of Directors	Unless otherwise specified the board of directors of our Company as duly constituted from time to time, including any committees thereof.
Bankers to our Company	The Bankers to our Company, being, State Bank of India and Axis Bank.
Corporate Identification Number	U51395GJ2011PLC064616.
Chief Financial Officer / CFO	Chief financial officer of our Company, Hemant Ashwinkumar Jethwa. For details, see " <b>Our Management</b> " on page 112.
Companies Act/Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable.
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Barkha Jain. For details, see " <b>Our Management</b> " on page 112.
DIN	Directors Identification Number.
Director(s)	The director(s) on the Board of our Company as described in " <b>Our Management</b> " on page 112.
Equity Shares	The equity shares of our Company of face value of ₹10 each.
Equity Shareholders	The holders of Equity Shares of our Company from time to time.
Executive Director(s)	Whole-time directors / executive directors on our Board.
Group Companies	In terms of SEBI ICDR Regulations, the term ‘group companies’ includes companies (other than our Subsidiaries) with which there were related party transactions in accordance with applicable accounting standard as disclosed in the Restated Financial Statements as covered under the applicable

Term	Description
	accounting standards and such other companies as considered material by our Board in accordance with the Materiality Policy, and as identified in " <b>Our Group Companies</b> " on page 183.
Indian GAAP	Generally Accepted Accounting Principles in India.
Independent Director(s)	Independent directors on the Board, who are eligible to be appointed as an independent director under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, please refer to the chapter titled " <b>Our Management</b> " on page 112.
ISIN	International Securities Identification Number, being INE0VA601019.
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in " <b>Our Management</b> " on page 112.
MD / Managing Director	The Managing Director of our Company, Vijay Lalsingh Yadav.
Materiality Policy	The policy adopted by our Board on March 13, 2024 for identification of material Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
MoA / Memorandum / Memorandum of Association	The memorandum of association of our Company, as amended.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in " <b>Our Management</b> " beginning on page 112.
Non-executive Director(s)	The Non-executive Director(s) of our Company.
Promoters	The promoters of our Company, being Vijay Lalsingh Yadav, Seemababen Vijay Yadav and Bharatlal Lalsingh Singh as disclosed in " <b>Our Promoters and Promoter Group</b> " on page 122.
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations, as disclosed in " <b>Our Promoters and Promoter Group</b> " on page 122.
Registered Office	The registered office of our Company situated at, Plot No – 97, 01 <sup>st</sup> Floor, Om Square, Near Ishwar Farm, BRTS Canal Road, Bhatar, Althan, Surat 395017, Gujarat, India.
Registrar of Companies or RoC	The Registrar of Companies at Ahmedabad.
Restated Financial Information / Restated Financial Statements/Financial Information	Restated financial statements of our Company for the nine months period ended December 31, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 prepared in accordance with Indian Generally Accepted Accounting Principles (Ind GAAP) and examined by the Statutory Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations. For details, see " <b>Financial Information</b> " on page 126.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in " <b>Our Management</b> " on page 112.
Senior Management Personnel/SMP	Senior Management of our Company in terms of Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as disclosed in the chapter titled " <b>Our Management</b> " on page 112.
Stock Exchange	Unless the context requires otherwise, refers to, the NSE Emerge.
Whole-time Director(s)	Director(s) in the whole-time employment of our Company.

#### Issue Related Terms

Term	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 acknowledgement slips or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot / Allotment / Allotted /Allotment of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.

<b>Term</b>	<b>Description</b>
Allotment Advice	Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the NSE Emerge.
Allottee(s)	A successful Applicant to whom the Equity Shares are being allotted.
Applicant / Investor	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus and the Application Form.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application Amount in the ASBA Account.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application Amount mentioned in the ASBA Form.
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant which will be considered as the application for Allotment in terms of the Draft Prospectus.
Banker to the Issue / Refund Banker / Public Issue Bank	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be. In this case, being, [●].
Bankers to the Issue Agreement	Banker to the Issue Agreement entered on [●] amongst our Company, Lead Manager, the Registrar to the Issue and Banker to the Issue for collection of the Application Amount on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in the chapter titled "Issue Procedure" on page 204.
Business Day	Any day on which commercial banks are open for the business.
CAN / Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the NSE Emerge.
Client ID	Client Identification Number of the Beneficiary Account.
Collection Centers	Broker Centers notified by National Stock Exchange of India Limited where Applicant 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 website of the National Stock Exchange of India Limited.
Collecting Depository Participant / CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collecting Registrar and Share Transfer Agent / CRTAs	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applicants with the Registrar to the Issue and Emerge Platform of NSE and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable).
Depositories	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant/ DP	A depository participant registered with SEBI under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA

Term	Description
	Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. NSE Emerge.
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 Draft Prospectus, following which the Board may Allot Equity Shares to successful Bidders in the Issue.
Designated Intermediaries	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.
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the NSE.
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the applicant, a list of which is available on <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> .
Draft Prospectus	This Draft Prospectus filed in accordance with the SEBI ICDR Regulations.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
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 ASBA Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations.
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First Applicant	Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations.
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 circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, notified by SEBI, suitably modified and included in the chapter titled Issue Procedure beginning on page 204 of this Draft Prospectus.
Issue / Issue Size / Public Issue / IPO	Initial Public Issue of up to 31,69,200 Equity Shares of face value of ₹ 10.00 each of our Company for cash at a price of ₹ [●] per Equity Share

Term	Description
	(including a securities premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs.
Issue Agreement	The agreement dated April 29, 2024 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which the Issue closes for subscription.
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Price	₹ [●] per Equity Share (Including securities premium of ₹ [●] per Equity Share).
Issue Proceeds	The proceeds from the Issue based on the total number of Equity Shares allotted under the issue.
Lead Manager/ LM	The Lead Manager to the Issue namely, Interactive Financial Services Limited.
Listing Agreement	The Listing Agreement to be signed between our Company and Emerge Platform of NSE ("NSE Emerge").
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, the Lead Managers and Market Maker.
Market Maker	The market maker of our Company being [●]
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at a price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs for the Market Maker in this Issue.
MSME	Micro Small and Medium Enterprises
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to 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 ₹ 10.00/- each fully paid-up of our Company for cash at a price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] Lakhs.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled "Objects of the Issue" on page 65.
Non-Institutional Bidders /Non-Institutional Investor / NIB/ NII	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
NRIs / Non-Resident Indian	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
Overseas Corporate Body/ OCB	A Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, 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 may require.
Public Issue Account	The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts.



<b>Term</b>	<b>Description</b>
QIBs/ Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations.
Refund Account	Account to which Application monies are to be refunded to the Bidders.
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable.
Refund Bank / Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012.
Registrar Agreement	The agreement dated April 29, 2024 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Registrar and Share Transfer Agents / RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of Circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Issue/ Registrar	Registrar to the Issue being Bigshare Services Private Limited.
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2 lakhs.
Revision Form	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date.
SME	Small and medium sized enterprises.
SME Exchange/ NSE Emerge/Designated Stock Exchange	Emerge Platform of NSE.
Self-Certified Syndicate Bank(s) / SCSBs	A bank registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA a list of which is available on website of SEBI <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
Sponsor Bank	Sponsor Bank being [●] being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Stock Exchange	Emerge Platform of NSE (“NSE Emerge”).
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form.
Underwriter	[●]
Underwriting Agreement	The Agreement dated [●] entered between the Underwriter and our Company
UPI	Unified payment Interface, which is an instant payment mechanism,

Term	Description
	developed by NPCI
UPI Applicant	<p>Collectively, individual investors applying as (i) Retail Individual Applicant in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹ 5 lakh in the Non-Institutional Portion, and applying under the UPI Mechanism through ASBA Form(s).</p> <p>Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 5 lakh shall use UPI and shall provide their UPI ID in the Application Form submitted.</p>
UPI Circulars	<p>Circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular number SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular number 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/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022, master circular (SEBI/HO/CFD/PoD-2/P/CIR/2023/00094) dated June 21, 2023, SEBI circular (SEBI/HO/CFD/TPD1/CIR/P/2023/140) dated August 9, 2023, (to the extent that such circulars pertain to the UPI Mechanism) along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI or the Stock Exchange in this regard and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time.</p>
UPI Investors	<p>SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹5 lakhs shall use the UPI Mechanism. In light of the above, NIIs investment up to 5 lakhs may participate through UPI mechanism and accordingly they should be classified as UPI Investors.</p>
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI.
UPI PIN	Password to authenticate UPI transaction.
UPI Mandate Request	<p>A request (intimating the UPI Investors by way of a notification on the UPI application and by way of a SMS directing the UPI Investors to such UPI mobile application) to the UPI Investors initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 5.00 lakhs shall use UPI and shall provide their UPI ID in the Application Form submitted.</p>
UPI Mechanism	The bidding mechanism that may be used by UPI Investors in accordance with the UPI Circulars to make an ASBA Bid in the Issue.
U.S Securities Act	U.S Securities Act of 1933, as amended.
Wilful Defaulter	An entity or a person categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III)

Term	Description
	of the SEBI ICDR Regulations.
Working Days	Working Day shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in city as mentioned in this Draft Prospectus are open for business and in case of the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### Industry Related Terms or Abbreviations

Term	Description
LED	Light-emitting diodes
LCD	Liquid-crystal display

#### Conventional Terms / General Terms / Abbreviations

Term	Description
AGM	Annual General Meeting
Alternative Investment Funds /AIFs	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
Arbitration Act	The Arbitration and Conciliation Act, 1996
AS or Accounting Standards	Accounting Standards as notified by Companies (Accounting Standards) Rules, 2016
CAGR	Compound Annual Growth Rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code	The Code of Civil Procedure, 1908
Companies Act, 2013 or Companies Act	The Companies Act, 2013 read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
COPRA	The Consumer Protection Act, 1986
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation.
CSR	Corporate Social Responsibility
Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI
DP or Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
ESI Act	The Employees' State Insurance Act, 1948

FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and the regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI
Financial Year(s) or Fiscal or Fiscal Year or FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
EMI	Equated Monthly Investment
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GBP	Great Britain Pound
GDP	Gross Domestic Product
GoI	Central Government / Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	The Institute of Chartered Accountants of India
IEC	Importer Exporter Code
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP/ IGAAP	Accounting standards notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 and the Companies (Accounts) Rules, 2014 in so far as they apply to our Company, as amended
INR/ Indian Rupee/ ₹	Indian Rupee, the official currency of the Republic of India
IPR	Intellectual Property Rights
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
Listing Agreement	The agreement to be entered into between our Company and Stock Exchange in relation to listing of the Equity Shares on such Stock Exchange
MCA/ Ministry of Corporate Affairs	Ministry of Corporate Affairs, GoI
Mn/mn	Million
MSME	Micro, Small and Medium Enterprises
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NAV	Net asset value
NACH	National Automated Clearing House
NBFC	Non-banking financial company
NEFT	National Electronic Funds Transfer
NOC	No Objection Certificate

NPCI	National Payments Corporation of India
NR or Non-Resident	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
NRE	Non-Resident External Accounts
NRO	Non-Resident Ordinary Accounts
NSDL	National Securities Depository Limited
MIM	Multi Investment Manager
P&L	Profit and loss account
p.a.	Per annum
PAT	Profit after tax
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PFRDA	Pension Fund Regulatory and Development Authority
Q&A	Questions & answers
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RoW	Rest of the World
RTGS	Real Time Gross Settlement
SBO Rules	Companies (Significant Beneficial Owners) Rules, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
Sq. ft. / sq. ft.	Square feet
Stamp Act	The Indian Stamp Act, 1899
State Government	The Government of a State of India
Stock Exchange	The NSE Emerge

STT	Securities Transaction Tax
Supreme Court	The Supreme Court of India
TAN	Tax Deduction and Collection Account Number
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TDS	Tax deducted at source
Trademarks Act	Trade Marks Act, 1999, as amended
UPI	Unified Payments Interface
USA / United States of America / US	The United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
UK	United Kingdom
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the SEBI VCF Regulations
Year/ calendar year	Unless context otherwise required, shall mean the twelve-month period ending December 31

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

### **Certain Conventions**

All references to “India” contained in this Draft Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time (“IST”).

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

In this Draft Prospectus, the terms “we”, “us”, “our”, “the Company”, “our Company”, “Issuer”, “Issuer Company”, unless the context otherwise indicates or implies, refers to “HP Telecom India Limited”.

### **Financial Data**

Unless the context otherwise requires or indicates, the financial information, financial ratios and any percentages amounts, as set forth in “*Risk Factor*”, “*Business Overview*” and “*Management’s Discussion and Analysis of the Financial Condition and Results of Operations*” beginning on page 21,88 and 157, respectively, and elsewhere in this Draft Prospectus is derived from our Restated Financial Statements. Our Restated Financial Statements included in this Draft Prospectus comprises of the Restated Statement of Assets and Liabilities as at and for the nine months period ended December 31, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the Restated Profit & Loss Account and Restated Cash Flow for the nine months period ended December 31, 2023 and financial years March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Indian GAAP, the Companies Act, restated in accordance with the SEBI (ICDR) Regulations, and the Revised Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI, together with the schedules, notes and annexure thereto.

For further information on Our Company’s financial information see “*Restated Financial Information*” beginning on page 126.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year; accordingly, all references to a particular financial year or fiscal, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Reference in this Draft Prospectus to the terms Fiscal or Fiscal Year of Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

The degree to which the financial information included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Prospectus should be limited. There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide conciliation of its financial statements with IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data.

In this Draft Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Prospectus.

### **Currency and Units of Presentation**

All references to “₹” or “Rupees” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

In this Draft Prospectus, our Company has presented certain numerical information. All figures have been expressed in lakhs, except where specifically indicated. One lakh represents 1,00,000. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than lakhs in their respective sources, such figures appear in this Draft Prospectus expressed in such denominations as provided in such respective sources.

In this Draft 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”.

### **Industry and Market Data**

Unless stated otherwise, industry and market data and forecast used throughout this Draft Prospectus has been derived from Company reports, data, websites and publicly available industry sources as well as Government publications etc. Industry publications 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 are not guaranteed, and their reliability cannot be assured.

Although, we believe that the industry and market data used in this Draft Prospectus is reliable, it has not been independently verified by us or the LM or any affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

In accordance with SEBI (ICDR) Regulations, 2018 the chapter titled “*Basis of Issue Price*” beginning on page 71 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

### **Exchange Rates**

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

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

<b>Currency<sup>(1)(2)</sup></b>	<b>Exchange rate as on December 31, 2023</b>	<b>Exchange rate as on March 31, 2023</b>	<b>Exchange rate as on March 31, 2022</b>	<b>Exchange rate as on March 31, 2021</b>
1 USD	83.12	82.21	75.81	73.50

Source: [www.fbil.org.in](http://www.fbil.org.in)

(1) The reference rates are rounded off to two decimal places.

(2) In case of a public holiday, the previous working day not being a public holiday has been considered.



## FORWARD-LOOKING STATEMENTS

This Draft Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "*aim*", "*anticipate*", "*are likely*", "*believe*", "*expect*", "*estimate*", "*intend*", "*likely to*", "*objective*", "*plan*", "*project*", "*propose*", "*will*", "*seek to*", "*will continue*", "*will pursue*" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Prospectus that are not statements of historical fact constitute 'forward-looking statements'. All statements regarding our expected financial conditions and results of operations, business plans and objectives, strategies and goals and prospects are forward looking statements.

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

- Our dependency on original equipment manufacturers for the telecommunication products we distribute;
- Our dependency on telecommunication brands effectively maintaining, promoting or developing their brands and maintaining standard quality products;
- Our ability to maintain our relationships with our customers;
- Any adverse situation affecting our goodwill and reputation;
- Potential mergers, acquisitions restructurings and increased competition;
- Market fluctuations and industry dynamics beyond our control;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Our indebtedness and the conditions and restrictions imposed on us by our financing agreements;
- Exposure to regulatory and other geography specific risks such as weather and natural occurrences as well as regulatory, economic, demographic and other changes in Gujarat and other states where we undertake our business activities;

For details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Business Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 21, 88 and 157, respectively. 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 gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect current views as on the date of this Draft Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, the LM nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the LM will ensure that the Applicants in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity shares pursuant to the Issue.

## **SUMMARY OF ISSUE DOCUMENT**

### **SUMMARY OF BUSINESS**

HP Telecom India Limited, originally incorporated as HP Telecom India Private Limited on March 26, 2011. Presently, our company operates as the exclusive distributor of Apple products across significant territories, including Madhya Pradesh & Chhattisgarh, select cities in Uttar Pradesh, and major urban centers in Gujarat. We proudly offer Apple's iconic range of devices, comprising the iPhone, iPad, Mac, Apple Watch, and more, catering to the discerning tech-savvy consumers in these regions. While Apple products remain the cornerstone of our distribution portfolio, we also engage in the distribution of select other brands to diversify our offerings and cater to a broader customer base. Despite this diversification, Apple products continue to drive a significant portion of our revenue, contributing over 80% to our overall earnings. The remaining revenue is generated through the sale of other brands, including JIO Recharge, JIO Phones, INFINIX Mobiles, etc. Recently, we have acquired the distribution rights for 'Nothing' in the state of Gujarat, further enhancing our product lineup with innovative offerings.

This balanced approach allows us to maintain a strong foothold in the market while capitalizing on emerging opportunities in the rapidly evolving technology landscape. With a robust network of partners and a deep understanding of the Indian market, we have consistently exceeded expectations by bringing premium products and services to consumers nationwide.

For more details, please refer chapter titled “Business Overview” on page 88 of this Draft Prospectus.

### **SUMMARY OF INDUSTRY**

The Indian electronics industry is one of the most rapidly growing industries worldwide. Electronic products have continuously impacted and shaped our lifestyles in the current digital era. The advent of technology has led to seamless activities and accelerated the digital revolution to the next level. Furthermore, demand for electronic devices is anticipated to rise steadily and continue to be a key economic driver worldwide. The global electronics industry was estimated at US\$ 2.9 trillion in 2020. The Indian government has widely recognised the strategic importance and growth potential of this industry in its National Policy for Electronics (NPE) 2019. NPE was unveiled with a vision to make the country a comprehensive hub for Electronics System Design and Manufacturing (ESDM) by developing a supportive environment for the industry to compete with global peers. The Government of India aspires to make the country a substantial manufacturing and design hub for electronics as part of its Aatmanirbhar Bharat scheme. The Digital India Programme has led to a paradigm transition towards digitisation and e-governance in India. India's market share in the global electronics manufacturing industry increased to 3.6% in 2020 from 1.3% in 2012. For details, see “Industry Overview” on page 80.

For more details, please refer chapter titled “Industry Overview” on page 80 of this Draft Prospectus.

### **PROMOTERS**

The Promoters of our Company are Vijay Lalsingh Yadav, Seemabahen Vijay Yadav and Bharatlal lalsingh Singh.

For detailed information please refer chapter titled, “Our Promoters” and “Our Promoter Group” on page 122 of this Draft Prospectus.

### **ISSUE SIZE**

Initial Public Issue of up to 31,69,200 Equity Shares of face value of ₹10/- each of HP Telecom India Limited (“TGL” or the “Company” or the “Issuer”) for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating to ₹ [●]/- (“the issue”), of which [●] Equity Shares of face value of ₹10/- each will for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●]/- will be reserved for subscription by market maker to the issue (the “Market Maker Reservation Portion”). The issue less the Market Maker Reservation Portion i.e. Net Issue of [●] Equity Shares of face value of ₹10/- each at a price of ₹ [●]/- per equity share aggregating to ₹ [●]/- is herein after referred to as the “Net Issue”. The issue and the net issue will constitute [●] and [●] respectively of the post issue paid up equity share capital of our company.

### **OBJECTS OF THE ISSUE**

Our Company proposes to utilize the Net Proceeds from the issue towards the following objects (“Objects of the Issue”)

1. Funding the working capital requirements of our Company; and
2. General Corporate Purpose;

#### Net Proceeds

The details of the proceeds of the issue are summarized in the table below:

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Gross proceeds from the issue	[●]
2.	Less: Issue related expenses**	[●]
<b>Net proceeds of the issue</b>		[●]

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

\*\*See “Issue Related Expenses” as detailed below

#### Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Funding the Working Capital requirement	2300.00
2.	General corporate purposes*	[●]
<b>Total utilization of net proceeds</b>		[●]

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

Sr. No	Name of share holder	Pre-issue		Post Issue	
		No of equity shares	As a % of Issued Capital	No of equity shares	As a % of Issued Capital
<b>(i) Promoter</b>					
1.	Vijay Lalsingh Yadav	44,02,628	50.34	[●]	[●]
2.	Seemabahen Vijay Yadav	37,27,852	42.63	[●]	[●]
3.	Bharatlal Lalsingh Singh	2,55,000	2.91	[●]	[●]
	<b>TOTAL (A)</b>	<b>83,85,480</b>	<b>95.88</b>	[●]	[●]
<b>(ii) Promoter Group</b>					
4.	Krishna Lalsingh Yadav	2,10,000	2.40	[●]	[●]
5.	Sangita Yadav	1,50,000	1.71	[●]	[●]
	<b>TOTAL (B)</b>	<b>3,60,000</b>	<b>4.11</b>	[●]	[●]
<b>(iii) Public</b>					
6.	Ashutosh Pathak	15	[●]	[●]	[●]
7.	Nikhilesh Purohit	15	[●]	[●]	[●]
	IPO		[●]	[●]	[●]
(iv)	<b>TOTAL (C)</b>	<b>30</b>	<b>0.01</b>	[●]	[●]
(v)	<b>TOTAL (A+B+C)</b>	<b>87,45,510</b>	<b>100.00</b>	[●]	<b>100.00</b>

**SUMMARY OF FINANCIAL INFORMATION****(Rs. in Lacs)**

<b>Particulars</b>	<b>For the Period ended on December 31, 2023</b>	<b>For the Year ended on March 31, 2023</b>	<b>For the Year ended on March 31, 2022</b>	<b>For the Year ended on March 31, 2021</b>
Share Capital (₹ in Lakhs)	583.03	583.03	583.03	499.00
Net worth (₹ in Lakhs)	2,607.89	2,050.96	1,546.16	1,133.05
Revenue from Operation (₹ in Lakhs)	75881.78	63750.83	29204.03	23665.40
Other Income (₹ in Lakhs)	1368.49	96.35	51.37	28.07
Profit after Tax (₹ in Lakhs)	556.93	635.23	213.12	151.76
Earnings per share (Basic & diluted) (₹)	9.55	10.90	4.27	3.04
Net Asset Value per Equity Share (Basic & diluted)	44.73	35.18	26.52	22.71
Total borrowings (₹ in Lakhs)	11,785.02	5,929.01	2,449.71	2,624.21

**QUALIFICATIONS OF AUDITORS**

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

**SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS**

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

<b>Particular</b>	<b>Nature of cases</b>	<b>No of outstanding cases</b>	<b>Amount involved (₹ in lacs)</b>
Litigation involving our Company	Taxation Matters	3	0.51
Litigation filed by the Company	Criminal Proceedings	4	12.08
Litigations filed by our Promoters	Criminal Proceedings	7	14.1
Litigation involving our Promoters	Taxation Matters	1	0.0041

For further details, please refer chapter titled “Outstanding Litigations & Material Developments” beginning on page 173 of this Draft Prospectus.

**RISK FACTORS**

For details relating to risk factors, please refer section titled “Risk Factors” on page 21 of this Prospectus.

**SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY**

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

For detailed information of Contingent Liabilities of our Company, please refer chapter titled “Restated Financial Statement” beginning on page no. 126 of this Draft Prospectus.

**SUMMARY OF RELATED PARTY TRANSACTIONS**

<b>F. Y. 2023-24 (up to 31/12/2023)</b>				
<b>Name</b>	<b>Relation</b>	<b>Transaction Type</b>	<b>Amount (In Rs. Lacs)</b>	<b>O/s Balance Dr/ (Cr) (In Rs. Lacs)</b>
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Purchase	890.51	1558.62

HV Connecting Infra India Pvt. Ltd.	Sister Concern	Sale	1067.51	646.68
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Rent Income	13.50	13.50
Telecom Merchant	Sister Concern	Purchase	142.82	1334.84
Telecom Merchant	Sister Concern	Sale of Fixed Asset	5.00	5.90
Telecom Merchant	Sister Concern	Rent Income	3.60	3.60
Telecom Merchant	Sister Concern	Sale	875.19	161.40
Communication Merchant	Sister Concern	Purchase	248.66	0.00
Communication Merchant	Sister Concern	Expense	170.04	-6.96
Communication Merchant	Sister Concern	Rent Income	5.63	5.63
Communication Merchant	Sister Concern	Sale	10317.95	51.46
Seema Yadav	Director	Director Remuneration	36.00	-36.00
Vijay Yadav	Director	Director Remuneration	45.00	-45.00
Seema Yadav	Director	Rent Expenses	2.03	-2.03
Vijay Yadav	Director	Rent Income	3.83	3.83
Vijay Yadav	Director	Rent Expenses	3.83	-3.83
Bharatlal Lalsingh Singh	Relative of Director	Unsecured Loan	0.00	-8.64
Sangita Yadav	Relative of Director	Unsecured Loan	0.00	-8.64
Seema Yadav	Director	Unsecured Loan	33.97	-3.71
Vijay Yadav	Director	Unsecured Loan	332.46	-18.89

**F. Y. 2022-23**

Name	Relation	Transaction Type	Amount (In Rs. Lacs)	O/s Balance Dr/ (Cr) (in Rs. Lacs)
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Purchase	950.78	176.17
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Rent Expenses	21.60	0.00
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Rent Income	18.00	0.00
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Sale	2945.43	0.00
My Mobile Retail Solution LLP	Sister Concern	Purchase	96.95	0.00
My Mobile Retail Solution LLP	Sister Concern	Rent Income	3.60	3.89
My Mobile Retail Solution LLP	Sister Concern	Sale	1687.68	0.00
Telecom Merchant	Sister Concern	Purchase	37.83	0.01
Telecom Merchant	Sister Concern	Rent Income	4.80	0.00
Telecom Merchant	Sister Concern	Sale	12.95	0.00
Communication Merchant	Sister Concern	Purchase	858.97	0.00
Communication Merchant	Sister Concern	Expense	199.22	0.00
Communication Merchant	Sister Concern	Rent Income	7.50	0.00
Communication Merchant	Sister Concern	Sale	1235.58	0.00
Seema Yadav	Director	Director Remuneration	6.00	0.00
Vijay Yadav	Director	Director Remuneration	6.00	-2.04
Seema Yadav	Director	Rent Expenses	2.70	0.00
Vijay Yadav	Director	Rent Income	5.10	0.00
Vijay Yadav	Director	Rent Expenses	5.10	0.00
Bharatlal Lalsingh Singh	Relative of Director	Unsecured Loan	58.64	-58.64
Sangita Yadav	Relative of Director	Unsecured Loan	58.64	-58.64
Seema Yadav	Director	Unsecured Loan	86.64	-53.71
Vijay Yadav	Director	Unsecured Loan	202.13	-68.89

**F. Y. 2021-22**

Name	Relation	Transaction Type	Amount (In Rs. Lacs)	O/s Balance Dr/ (Cr) (in Rs. Lacs)
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Purchase	815.14	44.37
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Sale	1116.62	-0.62
My Mobile Retail Solution LLP	Sister Concern	Purchase	203.22	-0.08
My Mobile Retail Solution LLP	Sister Concern	Sale	186.28	100.01
Telecom Merchant	Sister Concern	Purchase	251.21	-177.68
Telecom Merchant	Sister Concern	Sale	88.06	0.01
Communication Merchant	Sister Concern	Purchase	41.09	-29.51
Communication Merchant	Sister Concern	Expense	135.62	0.00
Communication Merchant	Sister Concern	Sale	357.27	385.33
Seema Yadav	Director	Director Remuneration	12.00	0.00
Vijay Yadav	Director	Director Remuneration	15.00	0.00
Seema Yadav	Director	Rent Expenses	8.70	0.87
Vijay Yadav	Director	Rent Expenses	5.10	0.51
Bharatlal Lalsingh Singh	Relative of Director	Salary	20.00	0.00
Seema Yadav	Director	Unsecured Loan	65.85	-4.69
Vijay Yadav	Director	Unsecured Loan	90.47	-4.18
Seema Yadav	Director	Share Capital	150.00	0.00
Vijay Yadav	Director	Share Capital	50.00	0.00
<b>F. Y. 2020-21</b>				
Name	Relation	Transaction Type	Amount (In Rs. Lacs)	O/s Balance Dr/ (Cr) (in Rs. Lacs)
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Purchase	228.14	0.00
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Sale	261.86	0.01
My Mobile Retail Solution LLP	Sister Concern	Sale	3.99	0.00
Telecom Merchant	Sister Concern	Purchase	2.62	0.00
Telecom Merchant	Sister Concern	Purchase of Fixed Assets	0.56	0.00
Telecom Merchant	Sister Concern	Sale	7.60	0.00
Communication Merchant	Sister Concern	Purchase	23.60	0.00
Communication Merchant	Sister Concern	Expense	78.44	0.00
Communication Merchant	Sister Concern	Sale	415.44	437.61
Seema Yadav	Director	Director Remuneration	10.00	-9.14
Vijay Yadav	Director	Director Remuneration	30.00	0.00
Bharatlal Lalsingh Singh	Relative of Director	Salary	10.00	0.00
Sangita Yadav	Relative of Director	Salary	7.00	0.00
Bharatlal Lalsingh Singh	Relative of Director	Unsecured Loan	8.20	0.00
Sangita Yadav	Relative of Director	Unsecured Loan	26.34	0.00
Seema Yadav	Director	Unsecured Loan	57.00	-26.30
Vijay Yadav	Director	Unsecured Loan	55.75	0.00

#### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Prospectus.

#### WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS PROSPECTUS

The promoters have not acquired any Equity Shares in the last one (1) year preceding the date of this Draft Prospectus other than stated below:

Sr. No	Name of Promoter	No of Equity Shares acquired in the last one year from the date of this Prospectus	Weighted Average Cost of Acquisition (in Rs)
1.	Vijay Lalsingh Yadav	14,67,543	0
2.	Seemabahen Vijay Yadav	12,42,617	0
3.	Bharatlal Lalsingh Singh	85,000	0

#### AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Prospectus is:

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition in ₹
1.	Vijay Lalsingh Yadav	44,02,628	10.44
2.	Seemabahen Vijay Yadav	37,27,852	7.52
3.	Bharatlal Lalsingh Singh	2,55,000	7.33

#### DETAILS OF PRE-ISSUE PLACEMENT

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

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

Except as set out below, our Company has not issued Equity Shares for consideration other than cash.

Date of Allotment	No. of Total Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Name of Allottees	No. of Shares Allotted	Nature of Allotment / Reason	Benefit Accrued
January 22, 2024	29,15,170	10	N. A.	Vijay Lalsingh Yadav	14,67,543	Bonus Issue in the ratio of one bonus Equity Share for every two fully paid-up Equity Shares held by the shareholders of the Company	Capitalisation of Reserves
				Seemabahen Vijay Yadav	12,42,617		
				Bharatlal Lalsingh Singh	85,000		
				Krishna Lalsingh Yadav	70,000		
				Sangita Yadav	50,000		
				Ashutosh Pathak	5		
Nikhilesh Purohit	5						

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

Our Company has not undertaken a split or consolidation of the Equity Shares in last one year.

## SECTION - II - RISK FACTORS

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

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company- used in this Section is derived from our Restated Financial Statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this Section in conjunction with “**Business Overview**”, “**Industry Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 88, 80 and 157 as well as other financial information contained herein. For capitalized terms used but not defined herein, see “**Definitions and Abbreviation**” on page 1.*

### **Materiality:**

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

- *Some risks may not be material individually but may be material when considered collectively;*
- *Some risks may have an impact which is qualitative though not quantitative;*
- *Some risks may not be material at present but may have a material impact in the future.*

*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 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 Prospectus. For further details, see “**Forward-Looking Statements**” on page 14.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this Section. 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.*

*In this Draft Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.*

*Unless the context otherwise requires, in this section, references to “we”, “us” and “our” or “our Company” refers to HP Telecom India Limited.*

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

### **Internal Risks**

#### **Risks Relating to the Business of our Company**



- 1. We are dependent on original equipment manufacturers for the telecommunication products we distribute. Any delay or failure on part of such global technology brands to supply products may materially and adversely affect our business, profitability and reputation.**

We do not manufacture any of the telecommunication products we distribute. Presently, our Company derive our majority of revenue from the distribution of Apple's range of devices, including the iPhone, iPad, MacBook, Apple Watch, and allied accessories, as an exclusive regional distributor of Apple products for the state of Madhya Pradesh & Chhattisgarh, some cities of the state of Uttar Pradesh and for majority of cities in Gujarat. Apart from being the distributor of Apple, the Company has recently obtained the distribution rights brand called 'Nothing' for the state of Gujarat. However, the Company at present derives more than 80% of its revenue from distribution of Apple products and remaining from distribution of other brands equipment and accessories, including JIO Recharge, JIO Phones, INFINIX Mobiles, VIVO YIS Mobiles, etc. Our business is, therefore, dependent on our relationships with such original telecom equipment manufacturers and the national distributor of such original telecom equipment manufacturers. In the event the original telecom equipment manufacturers or national distributor, we serve reduce the number of products they offer through our distribution network, or are unwilling to continue to do business with us or intend to terminate or modify the terms of their contracts to our detriment, there could be an adverse effect on our business. The loss or deterioration of our relationship with any of our original telecom equipment manufacturers or national distributors or the authorisation by original equipment manufacturers or national distributor of additional regional distributors, the sale of products by original telecom equipment manufacturers or national distributor to our Channel Partners, customers and end users (instead of using us as the distributor of products), or our failure to establish relationships with new original equipment manufacturers or national distributor or to expand the distribution and supply chain services that we provide, could adversely affect our business, results of operation and financial condition. Any instances or termination by any original telecom equipment manufacturers whose products we distribute or the national distributor through whom we procure products could have an adverse impact on our results of operations. Further, any delay or failure on the part of the original telecom equipment manufacturers or national distributor whose products we distribute, to supply products in a timely manner or any deterioration in the quality of products supplied by the original telecom equipment manufacturers, may adversely affect our business, profitability and reputation.

We typically enter into exclusive and non-exclusive distribution agreements with original telecom equipment manufacturers or national distributor which often contain provisions permitting termination without cause with notice periods. Generally, each original telecom equipment manufacturers or national distributor has the ability to an extent to modify the terms and conditions of their agreements with us, such as ability to re-adjust our inventories and receivables. Additionally, the national distributor, we engage with may choose to undertake direct distribution or sale of products either by themselves or they may appoint other distributors for territories in which we distribute products. Any such alteration of distribution Agreement which is not favouring our business model may adversely affect our business, profitability and reputation.

- 2. Our business is dependent on telecommunication brands effectively maintaining, promoting or developing their brands and maintaining standard quality products including launching new information and communications technology products at regular intervals.**

Our Company derive our majority of revenue from the distribution of Apple's range of devices, including the iPhone, iPad, MacBook, Apple Watch, and allied accessories, as an exclusive regional distributor of Apple products for the state of Madhya Pradesh & Chhattisgarh, some cities of the state of Uttar Pradesh and for majority of cities in Gujarat. Our revenue from sale of Apple Inc. products in total revenue from our operations is detailed below:

(Rs. in Lakhs)

Particulars	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from operations	75,881.78	63,750.83	29,204.04	23,665.40
Revenue from sale of Apple Products	62,609.03	57,381.96	23,069.62	21,998.71
% of Revenue from sale of Apple Products in Revenue from operations	83%	90%	79%	93%

Many factors are important for maintaining, developing and enhancing brands, and retaining customers of a brand, including increasing brand awareness through brand building initiatives and ensuring customer satisfaction by providing quality customer service. In the event of further development of technology or growing popularity of alternate products which our brands partners are unable to counter, the products of brands partners may become obsolete. In order to remain competitive, the brands we distribute would need to develop, test, manufacture and commercialize new products in a timely manner. Since we do not manufacture the products that we distribute, there can be no assurance that the brands whose products we distribute will be able to effectively promote, develop their brands or maintain standard quality of the products. Further, if the brands whose products we distribute do not launch new products or innovate to keep up with evolving requirements and demands of customers, the demand for products of such brands may witness a decline. A slowdown in demand for existing products in our inventory could result in a write-down in the value of inventory on hand relating to such products. Further, we are not involved in the innovation of products, or in quality control of products manufactured by the brands that we distribute. However, if any of the offerings which we distribute from time to time do not meet standards for quality and performance or customers' subjective expectations, our reputation and customer retention may be impacted, and the demand for such products, which we may already have inventory of, may decrease and may lead to deterioration of business, financial condition and results of operations may be adversely affected.

3. ***Our Company, our Promoters and Directors 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, our Promoters and Directors are party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and legal forums. A summary of outstanding litigation proceedings involving our Company, our Promoters, and our Directors, as on the date of this Draft Prospectus as disclosed in “***Outstanding Litigations and Material Developments***” on page 173, in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Nature of Cases	Number of outstanding cases	Amount Involved (in Rs. Lakhs)*
<b><i>Litigation involving our Company</i></b>		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	4	12.08
Material civil litigation against our Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	3	0.51
<b><i>Litigation involving our Directors (other than Promoters)</i></b>		
Criminal proceedings against our Directors (other than Promoters)	Nil	Nil
Criminal proceedings by our Directors (other than Promoters)	Nil	Nil
Material civil litigation against our Director (other than Promoters)	Nil	Nil
Material civil litigation by our Director (other than Promoters)	Nil	Nil
Actions by statutory or regulatory authorities (other than Promoters)	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
<b><i>Litigation involving our Promoter</i></b>		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	7	14.1
Material civil litigation against our Promoter	Nil	Nil
Material civil litigation by our Promoter	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	1	0.0041

\* Rounded off to closest decimal

There can be no assurance that litigations involving our Company, our Promoters and Directors will be decided in favour of our Company, Promoters and Directors and consequently it may divert the attention of our management and Promoters and consume our corporate resources and we may incur significant expenses in such proceedings and we may have to make provisions in our financial statements, which could increase our expenses

and liabilities. If such claims are determined against Company, our Promoters and Directors, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

Furthermore, we may not be able to quantify all the claims in which we are involved. Failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subjected to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure that similar proceedings will not be initiated in the future. This could adversely affect our business, cash flows, financial condition, and results of operation. For further details, pertaining to material pending outstanding litigations involving our Company, our Promoters and Directors, see “**Outstanding Litigations and Material Developments**” on page 173.

4. ***If we are unable to maintain our relationships with our customers or if any of these parties change the terms of their arrangements with us, our business could be materially and adversely affected.***

We distribute our products to customers, who are B2B end-customers. Accordingly, our sales are subject to demand variability by our customers. We do not enter into long-term agreements with our customers for purchase of our products or provision of solutions. Since our customers are generally not obliged to continue purchasing products and/or services from us, or otherwise retain their business relationships with us, there is no assurance that their purchase orders or engagements will remain constant or increase or that we will be able to maintain or add to our existing customer base. While the level and timing of orders we receive vary for multiple reasons, including seasonal buying by end-users and general economic conditions, we may also witness reduced orders owing to our customers receiving better prices, terms and conditions from our competitors.

If we are unable to anticipate and respond to the demands of our customers, we may lose customers because we have an inadequate supply of products to cater to their particular requirements. If the customers wish to change the terms of their typical contracts with us, we may not be able to negotiate terms which are beneficial to us or which are financially viable. If we are unable to negotiate mutually agreeable terms with such parties, we may lose our customers. We may be unable to maintain or grow the size of our customer base or the level of engagement of our customer. This could materially and adversely affect our business, financial condition, cash flows and results of operations.

5. ***We could be subject to product liability claims, which may have a material adverse impact on us.***

Due to the nature of our business, we face a risk of the products that we distribute containing quality issues or undetected errors or defects. These may result from the design or manufacture of the product, or from the software or other parts used in the product, over which we have no control. We may face the risk of legal proceedings and claims being brought against us by our customers on account of sale of any defective products. While the brands are generally accountable for defective products, our ability to avoid such liabilities may be limited as a result of differing factors, such as the inability to exclude such damages due to applicable laws of the specific jurisdiction where the business of original equipment manufacturer is conducted. While we have not been subject to any product liability or defect claims in the past, we cannot assure you that we will not be subject to such claims in the future. Our business and reputation may be adversely affected as a result of a significant quality or performance issue in the products sold by us, if we are required to pay for the associated damages. Further, any defect in the products may lead to losing customers if their claims are not addressed to their satisfaction. In addition, serious quality issues can expose us to product liability or recall claims in the event that the products we distribute fail to meet the required quality standards, or are alleged to cause harm to customers. While we are generally not held accountable for such claims, we may face the risk of legal proceedings and product liability claims being brought against us, legitimate or otherwise, by various entities including consumers, redistributors and government agencies for various reasons including for defective products sold.

6. ***The reputation and goodwill associated with our brand name is critical to the success of our business. An inability to maintain or enhance the popularity of our brand among brands and customers may adversely impact our business prospects and financial performance.***

As more than 80% of our revenue comes from the distribution of Apple products in the designated territories. Being associated with the Apple brand enhances the distributor's credibility and attracts customers seeking

premium technology products. Our brand is critical to our business success, and affects our ability to maintain and enhance the popularity of our Company. Our ability to develop our brand name and retain goodwill is dependent on the perception the brands specially the Apple Brand, we serve or the customer have of us, and recognition of product quality, variety of products, market penetration, accessibility of products that we distribute.

Any negative publicity or perception of customers relating to the quality of products that we supply, range of the portfolio of products supplied by us, pricing strategy, among others, may adversely impact public perception of the products that we distribute. As on date of this we have not registered our trademark and thus unauthorized use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our business, financial condition, cash flows and results of operations. As our business expands into new markets and regions and as the industry in which we operate becomes increasingly competitive, maintaining and enhancing the image of our brand name may become increasingly difficult and expensive. An inability to enhance the visibility of our brand name may adversely impact consumer goodwill and brand recall, and consequently our business prospects and financial performance.

**7. *The business premises from where we operate are not owned by us.***

Our business premises including our registered office is not owned by us and are taken on lease/rent basis. If any such lease/rent agreements under which we occupy or use the premises are not renewed on terms and conditions that are favourable to us, or at all, we may suffer a disruption in their operations which could have a material adverse effect on our business, financial condition and results of operations. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on their operations. While we have not experienced any issue in renewing the lease arrangement in the past, there can be no assurance that renewal of lease/rent agreements with the owner will be entered into. In the event of non-renewal of lease/rent arrangements, we may be required to shift their business premises to a new location and there can be no assurance that the arrangement we would enter into in respect of new premises would be on such terms and conditions as the present one.

**8. *We extend credit to our customers for a significant portion of our sales to them. Any negative trends in their businesses could cause us significant credit loss and negatively impact our cash flow and liquidity position.***

We extend credit to our Channel Partners and other customers for a significant portion of our sales to them. Set forth below are details of our products sold on credit;

(Rs. in Lakhs)

Particulars	December 31, 2023	2023	2022	2021
Value of products initially sold on credit	75,881.78	63,750.83	29,204.04	23,665.40
Value of products initially sold on credit, as a percentage of our revenue from operations (%)	100	100	100	100

We generally extend a credit period of time, after the date of invoice, to make payment. As a result, we are susceptible to the risk that our customers will not pay for the products they purchase. While we try to mitigate such incidents by conducting diligence on our customer's financial condition and market feedback to minimize our credit exposure of any non-payments, we cannot assure you that such measures will be successful or that we will be able to recover our trade receivables and monies owed to us. Our credit exposure risk may increase due to liquidity or solvency issues experienced by our customers as a result of various reasons such as an economic downturn, etc. If we are unable to collect payment for products distributed by us to customers or if such customers are unable to pay for the products in a timely manner, it may negatively impact our cash flow and liquidity position.

**9. *We have experienced negative cash flows from operating activities and may do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.***

The Company has reported negative cash flow from operating activities in Financial year 2022, and for nine months ended December 31, 2023 as per the Restated Consolidated Financial Information as given below:

(₹ In Lakhs)

Particulars	For nine months ended December 31, 2023	For year ended March 31,		
		2023	2022	2021
Net cash flow generated from/ (utilized in) operating activities (A)	(5134.86)	725.31	(462.88)	192.90

(Figures in brackets are negative)

For details, see “*Restated Financial Statement – Restated Cash flow Statement*” on page.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. We may continue to have negative operating cash flows in future. If our Company is not able to generate sufficient operating cash flows, it may adversely affect our business and financial operations. For further details, see “*Restated Financial Statement*” on page 131

**10. We purchase inventory in anticipation of sales, and if we fail to manage our inventory effectively during that period or if the inventory value declines, our business and results of operations could be adversely affected.**

We purchase inventory on projected sales and demand forecasts and if we fail to manage our inventory effectively, our business and results of operations may be adversely affected. As such, we provide partial payments in order to secure our inventory. In Fiscal 2021, 2022, 2023 and the nine months ended December 31, 2023, our purchases of stock-in-trade amounted to ₹23059.79 lakhs, ₹28684.25 lakhs, ₹63118.80 lakhs and ₹79493.02 lakhs, and accounted for 97.44%, 98.22%, 101% and 104.76%, respectively, of our revenue from operations. In the event that there is an abrupt and substantial decline in demand for one or more of the products that we supply, a change in product development plans, or an unanticipated change in technological requirements for any of the products that we distribute, we may be required to record additional accruals for cancellation fees that may be payable with respect to such orders, which would adversely affect our results of operations. The products we source may become obsolete or less relevant if we fail to predict accurately future development trends or adapt to the evolving market demand. Our reputation and results of operations will continue to depend on our ability to anticipate these changes accurately and to expand our product portfolio and solution offerings to meet end customers’ evolving needs.

We may fail to accurately predict order quantities, and may experience significant inventory overhang in the event demand for a particular product or brand whose products we distribute declines. While we perform a detailed review of our inventory based on multiple factors including demand forecasts, product life cycle status, product development plans, current sales levels and component cost trends, certain of our inventories may lose value in the future due to circumstances including future demand or market conditions for our products being less favourable than forecasted, unforeseen technological changes or changes to the product development plans of the brands whose products we distribute, that negatively impact the utility of any of our inventories. While we have not had significant inventory overhang, write-downs or pricing markdowns in the past, we cannot assure you that this will continue to be the case in the future. Further, we are exposed to the risk that our inventory value may decline, and protective terms under our brand agreements may not adequately cover the decline in value, which in turn may affect our business, results of operation and financial condition.

We might also underestimate the demand for certain products, and be unable to supply such products in the required quantities, leading our customers to purchase these products from our competitors.

**11. Our business requires working capital. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial condition.**

Our business is working capital intensive. Our company’s net working capital consisted of ₹977.55 lakhs, ₹938.62 lakhs, ₹741.19 lakhs and ₹1486.42 lakhs for the financial year ended 2023, 2022, 2021 and for the period ended December 31, 2023, respectively. We meet part of the working capital requirements through borrowings. We have high working capital requirements to maintain sufficient inventory of products for steady supply. We intend to utilize ₹2,300 lakhs toward funding working capital requirement of the Company. For details, see “*Objects of the Issue*” on page 65. A significant amount of our working capital is required for meeting operating expenses of our business, before payment is received for the sale of such products to our customers. Our working capital requirements may increase if the payment terms in our arrangement with customers include reduced advance payments or longer payment schedules. These factors may result in

increases in the amount of our receivables, short-term borrowings and the cost of availing such working capital funding.

Growth in our operations may result in increase in the quantum of current assets, particularly trade receivables. Our inability to obtain adequate amount of working capital at such terms which are favourable to us, in a timely manner or at all, may also have an adverse effect on our financial condition. Continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations. We cannot assure you that we will be successful in arranging adequate working capital through borrowings or cash flows from operations. Our inability to maintain sufficient cash flows, credit facilities and other sources of funds, in a timely manner or at all, to meet our working capital requirements may adversely affect our operations and financial condition.

***12. We rely on end consumers using one or more of our products, and are thus vulnerable to changes in consumer preferences and behavior that could adversely affect our profitability and financial condition.***

As we rely on end consumers using one or more of our products through our customers, our business may be affected by rapidly-changing end consumer preferences. Our results of operations depend on our ability to attract end customers by anticipating, gauging and responding to such changes in consumer preferences. In ascertaining consumer preferences, we may rely on information furnished to us by or on behalf of our customers. We cannot assure you that we would be able to receive updated and accurate information, and be able to interpret it appropriately. If we are unable to anticipate, gauge and respond to changing consumer preferences, or if we are unable to adapt our services to such changes in a timely manner, we may lose or fail to attract customers, who may prefer our competitors. This may adversely affect our business, financial condition, results of operations and cash flows.

***13. Any disruption or shutdown of our warehouse facility, or failure to achieve optimal capacity utilisation at such facility could adversely affect our business, results of operations and financial condition.***

We store our inventory in our store having storage space and two warehouse situated in Bhiwandi, Maharashtra and Noida, Uttar Pradesh from where products are distributed. We store our inventory at our warehouses, and transport the procured products from warehouses to our customers, based on orders received. While we monitor the inventory at our warehouses and closely track capacity and utilisation of our warehouse, if there is any disruption to the operations at our warehouse, or if we experience any shutdowns of our warehouses due to factors beyond our control, our supply chain and operations will be adversely affected, impacting our ability to honour our contractual obligations, which may expose us to legal claims.

***14. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations***

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous.

Additionally, we have applied and are in the process of applying for certain approvals, licenses, registrations and permits, which are necessary for us to continue our business and need to be updated pursuant to conversion from private to public Company. For instance, our Company has applied for: Trade License for its establishment at Raipur; Shops and Establishment Registration Certificate for our establishment in Raipur, Chhattisgarh; Professional tax registration certificate for our establishment in Rajkot, Gujarat; Shops and Establishment Registration Certificate for our establishment in Surat, Gujarat and Shops and Establishment registration certificate for our establishment in Noida, Uttar Pradesh. Furthermore, we are required to obtain certain approvals, licenses, registrations and permits, which are necessary for us to continue our business, however, we have not obtained certain approvals, licenses, registrations and permits which we are required to obtain and company is in process of applying the same. For instance, we are yet to make an application for Professional Tax Registration Certificate for our establishment in Karnataka; Professional Tax Registration Certificate and Professional Tax Enrolment Certificate for our establishment in Maharashtra; Shops and Establishment Registration Certificate for our establishment in Rajkot, Gujarat and Ahmedabad, Gujarat. However, we cannot assure you that upon making such applications, we will be in a position to obtain such approvals. For further information on the nature of approvals and licenses required for our business and details of approvals and

licenses applied for and or yet to be applied for, see “**Government and Other Statutory Approvals**” on page 179. In addition, we have, and may need to in the future, apply for certain additional approvals, including the renewal of approvals, which may expire from time to time in the ordinary course.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavour to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations. For further details regarding the material approvals, licenses, registrations and permits, which are, pending receipt or renewal, see “**Government and Other Statutory Approvals**” on page 179.

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

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our movable and immovable properties. The total amount outstanding and payable by us as secured loans based on our Restated Financial Statements was ₹11745.14 lakhs, as on 31.12.2023. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our assets may be subject to forfeiture by lenders, which in turn could have significant adverse effect on our business, financial condition or results of operations. For further details of the secured loans availed by us, see “**Financial Indebtedness**” on page 164.

**16. We are dependent on third-party transportation providers for the delivery of products distributed by us.**

Our success depends on the uninterrupted supply and transportation of products that we distribute. We further deliver products from our warehouses to our customers. For the purposes of delivery of products to and from our warehouses, we substantially rely on third-party transportation and logistics providers. Although we have not encountered any significant disruption to the supply and transportation of products in the past, the operating restrictions/ lockdowns consequent to the outbreak of the COVID-19 pandemic temporarily affected our ability to transport products in the first quarter of Fiscal 2021. There can be no assurance that any such disruptions will not occur in the future as a result of these or other factors and that such disruptions will not be material. Although we do not rely on limited operators for transportation of our products, transportation strikes may have an adverse effect on supplies and deliveries. In addition, products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. A failure to deliver our products in an efficient and reliable manner could have an adverse effect on our business, financial condition and results of operations.

**17. Any inability to maintain or manage our workforce could have an impact on our profitability. Further, wage pressures and increases in operating costs may reduce our profit margins.**

We are dependent on our workforce for the operation of our business. As on April 30, 2024, we had 07 permanent employees and 62 employees on contractual basis. For further details, see “**Our Business – Human Resource**” on page 94. We maintain a workforce based upon our current and anticipated workloads. At our company, we firmly believe in the fundamental role our employees play in the advancement of our business objectives. To ensure operational efficiency and excellence, we entered into an agreement with Communication Merchant on April 25, 2024, for the supply of manpower specifically tailored to support our office operations.

We may also be required to increase our levels of employee compensation, more frequently than in the past to remain competitive in attracting employees that our business requires. If we are unable to retain talent required for our business, or hire employees with similar talents and experience in the same cost, or unable to continue the contract with the Communication Merchant for the supply of manpower, we may incur additional costs or we may face difficulties in our operations and performance due to lack of skilled and experienced workforce which could have a material adverse effect on our profitability, financial condition and results of operations.

**18. We are dependent upon the business experience and skill of our promoters and management personnel. Loss of our senior management or our inability to attract or retain such qualified personnel, could adversely affect our business, results of operations and financial condition.**

We believe that our management team plays a key role in the development of our business and we benefit from their industry knowledge and expertise, vision and leadership. We believe the stability of our management team and the industry experience brought on by our individual Promoters and Directors enables us to continue to take advantage of future market opportunities. We believe that our management team is well qualified to leverage our market position with their collective experience and knowledge in the industry, to execute our business strategies and drive our future growth.

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. The loss of the services of our key personnel or our inability to recruit or train sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. If we are unable to hire additional qualified personnel or retain our existing qualified personnel, our ability to expand our business may be impacted. Our Company's profitability, financial condition and results of operations may also be impacted due to lack of experienced and talented workforce.

**19. 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 ₹39.88 lakhs 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 "**Financial Indebtedness**" on page 164.

**20. A significant majority of our revenues from operations are derived from a limited number of customers.**

For the nine months period ended December 31, 2023 and during the Financial Year 2023, Financial Year 2022 and Financial Year 2021, the contribution towards revenue from our top 10 customers is as follows:

(in ₹ Lakhs)

Sr. No.	Particulars	As at December 31, 2023		FY 2022-23		FY 2021-22		FY 2020-21	
		Revenue	%	Revenue	%	Revenue	%	Revenue	%
1	Revenue from Top 10 customers	75,881.78	33.54	63,750.83	29.85	29,204.04	38.40	23,665.40	45.68

However, the composition of revenue generated from these customers might change as we continue to add new customers in the normal course of business. Our revenues may be adversely affected if there is an adverse development with such customer, including as a result of a dispute with or our disqualification by such major customers which may lead to decline in our revenue, cash flows and liquidity. Further, if our customers are able to fulfil their requirements through any of our existing or new competitors providing services with better quality and lower commission and fee, we may lose significant portion of our business and revenue.

**21. Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.**

The cost and availability of capital, amongst other factors, is also dependent on our credit ratings. As on the date of this Draft Prospectus, our Company has been assigned CARE BB; Stable for long term borrowing, CARE A4+ for short-term borrowing from CARE Ratings Ltd. Ratings reflect a rating agency's opinion of our Company's financial strength, operating performance, strategic position, and ability to meet our obligations. While our ratings have not been downgraded in the past three financial years, any adverse change in credit ratings assigned to our Company or our borrowing limits in the future may impact our ability to raise additional



funds and/or the interest cost at which we borrow additional funds and could have an adverse effect on our business and results of operations.

**22. *Our Company has during the preceding one year from the date of the Draft Prospectus have allotted Equity Shares at a price which is lower than the Issue Price.***

In the last 12 months, we have made allotments of Equity Shares through bonus issue of shares to the shareholders, which are given without any consideration to the shareholders. For details relating to number of shares issued, date of allotment etc. see “*Capital Structure*” on page 56. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

**23. *We may not be able to successfully manage the growth of our operations and execute our growth strategies which may have an adverse effect on our business, financial condition, results of operations and future prospects.***

As we continue to grow, we must continue to improve our managerial, technical and operational knowledge and allocation of resources, and implement an effective information technology and management system. In order to fund our ongoing operations and future growth, we need to have sufficient internal sources of liquidity or access to additional financing from external sources, including debt or equity. Further, we will be required to manage relationships with a greater number of clients, distributors, lenders and other third parties. We will need to further strengthen our internal control and compliance functions to ensure that we will be able to comply with our legal and contractual obligations and minimize our operational and compliance risks. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business and operations and training an increasing number of personnel to manage and operate the expanded business. There can be no assurance that we will be able to successfully manage our growth, strategies or that our expansion plans will not adversely affect our existing operations and thereby have an adverse effect on our business, financial condition, results of operations and prospects.

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

As of December 31, 2023, we have entered into several related party transactions with our Promoter and individuals and entities forming a part of our Promoter Group. In addition, we have in the past also entered into transactions with other related parties. We confirm that the transactions with Related Parties entered into by our Company in the preceding three years have been carried out at arms’ length price and are in compliance with the Companies Act 2013 and the applicable laws. Further, we confirm that the transactions are not prejudicial to the interest of our Company. A summary of the related party transactions during the nine months period ended December 31, 2023 and Financial Year 2023, 2022 and 2021 as per applicable Ind GAAP is derived from our Restated Financial Statements. For further details, see “*Restated Financial Information*” on page 126.

While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

**25. *Our Company’s insurance coverage may not be adequate to protect us against all material hazards which may result in disruptions of operations/monetary loss on account of stoppage of work.***

We procure insurance for our operations which we believe are sufficient as per industry standards. Our existing insurance coverage may be insufficient to cover all the risks associated with our business and operations and generally do not cover losses from business interruption. We also cannot assure you that we will renew our existing insurance policies in a timely manner or at all. In the case of an uninsured loss, a loss in excess of insured limits or a loss for which we do not have coverage or coverage is prohibitively expensive, including those caused by natural disasters and other events beyond our control, we may be required to pay for losses, damages and liabilities out of our own funds, which could materially and adversely affect our business, financial condition and results of operations. Even if our insurance coverage is adequate to cover our direct losses, we may not be able to take remedial actions or other appropriate measures. Furthermore, our claim records may affect the premiums which insurance companies may charge us in the future.

**26. We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.**

As on date of this Draft Prospectus, we have not registered our trademark. Any failure to obtain and thereafter renew registration of our trademark may affect our right to use such trademark in future. Further, our efforts to protect our intellectual property in India and abroad may not be adequate and any third-party claim on any of our unprotected intellectual property may lead to erosion of our business value and our reputation, which could adversely affect our operations. Third parties may also infringe or copy our registered brand name in India and abroad which has been registered by us in India. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks in India and abroad.

Moreover, our ability to protect, enforce or utilize our tradename is subject to risks, including general litigation risks. Furthermore, we cannot assure you that such tradename will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source. Any damage to our tradename, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position.

**27. Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Issue will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment.**

We intend to use Net Proceeds from the Issue towards; (i) funding the working capital requirements of the company; and (ii) general corporate purposes. For details of the objects of the Issue, see “*Objects of the Issue*” on page 65. Our management will have broad discretion to use the Net Proceeds, and investors will be relying on the judgment of our management regarding the application of the Net Proceeds. Moreover, we cannot undertake any material deviation in the utilisation of the Net Proceeds as disclosed in this Prospectus without obtaining the approval of shareholders of our Company through a special resolution. Our Company may have to revise its management estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in its business.

**28. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.**

We propose to utilize the Net Proceeds as stated under “*Objects of the Issue*” on page 65. However, our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised.

As per section 27 of the Companies Act, the objects of utilization of the Net Proceeds from the fresh issue as disclosed in this Draft Prospectus can only be varied after obtaining the shareholders’ approval vide a special resolution. In the event, the Company wishes to vary the objects for which the net proceeds from the fresh issue are required to be varied, our Company 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. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our ability to respond to any change in our business or financial condition, and thus, adversely affecting our business and results of operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter our Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any,

or vary the terms of any contract referred to in the Draft Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

**29. *One of our Group Company is engaged in activities which is similar to our business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations***

HV Connecting Infra (India) Private Limited, our Group Company have some objects similar to that of our business. Accordingly, it may compete with us like any other third-party competitor. While necessary procedures and practices may be adopted as permitted by law to address any instances of conflict of interest, if and when they may arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner. There can be no assurance that our Promoters or our Group Company or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition. Thus, in future conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Companies and member of Promoter Group. In cases of conflict, our Promoters may favour other companies or ventures in which our Promoters have interest.

**30. *We may be affected by competition law, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002 ("**Competition Act**") seeks to prevent business practices that have an Appreciable Adverse Effect on Competition ("**AAEC**") in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an AAEC in India is void and attracts substantial monetary penalties. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require that the acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by CCI. However, the applicability or impact of the provisions of the Competition Act on any future acquisition or arrangement entered into by us cannot be predicted with certainty at this stage.

**31. *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, see "**Dividend Policy**" on page 125.

**32. *The average cost of acquisition of Equity Shares by our Promoter could be lower than the Issue Price.***

Our Promoter's average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price. For further details regarding average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares by our Promoter in our Company, please refer to the chapters "**Capital Structure**" beginning on page 56.

**33. *None of the Directors of the Company have experience of being a director of a public listed company.***

The Directors of the Company do not have the experience of having held directorship of public listed company. Accordingly, they have limited exposure to management of affairs of the listed company which inter-alia entails several compliance requirements and scrutiny of affairs by shareholders, regulators and the public at large that is

associated with being a listed company. As a listed company, the Company will require to adhere strict standards pertaining to accounting, corporate governance and reporting that it did not require as an unlisted company. The Company will also be subject to the SEBI Listing Regulations, which will require it to file audited annual and unaudited half-yearly reports with respect to its business and financial condition. If the Company experiences any delays, we may fail to satisfy its reporting obligations and/or it may not be able to readily determine and accordingly report any changes in its results of operations as promptly as other listed companies.

Further, as a publicly listed company, the Company will need 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 the Company's disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, the Board of Directors of the Company may have to provide increased attention to such procedures and their attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. 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.

**34. *Proposed objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.***

The objects of the Issue for which the funds are being raised have not been appraised by any bank or financial institution. In the absence of such independent appraisal, the requirement of funds raised through this issue, as specified in the chapter titled "*Objects of the Issue*" are based on the company's estimates and internal research. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in rescheduling of our expenditure plans and an increase or decrease in our proposed expenditure for a particular object. Deployment of these funds is at the discretion of the management and the Board of Directors of the company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**35. *We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Our business is highly competitive. We expect that competition will continue to intensify both through the entry of new players and consolidation of existing players. Our competitors, may have greater financial resources, better distribution network, technical and marketing resources and generate greater revenues, and therefore may be able to respond better to market changes than we can. The industry in which we operate have low entry barriers and therefore we cannot assure you that our current or potential competitors will not provide products comparable or superior to those we provide or adapt more quickly than we do to changing consumer preferences and market requirements, at prices equal to or lower than those of our products. Increased competition may result in our inability to differentiate our products from those of our competitors, which may lead to a loss of market share. Our ability to compete also depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees, the price at which our competitors offer comparable products and the extent of our competitor's responsiveness to customer needs. Our inability to adequately address competitive pressures may have a material adverse effect on our business, prospects, financial condition and results of operations.

**36. *Our Promoters and some of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses.***

Some of Promoters and our Directors are interested in our Company to the extent of their respective shareholding in our Company as well as to the extent of any dividends, bonus or other distributions on such Equity Shares. We cannot assure you that our Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Further, our Promoters holding Equity Shares may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoters and Directors, other than reimbursement

of expenses incurred or normal remuneration or benefits, see “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 112 and 122, respectively.

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

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

**38. *We are subject to restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. Any defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our cash flows, business, results of operations and financial condition.***

We have entered into agreements for secured short term borrowings with certain banks. As on 31.12.2023 an aggregate of ₹11745.14 lakhs, was outstanding towards loans availed from banks. The credit facilities availed by us are secured by way of mortgage of fixed assets and hypothecation of current assets (both present and future). In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered. This could severely affect our operations and financial condition. Our financing agreements include certain covenants that require us to obtain lender consents prior to carrying out certain corporate activities and entering into certain transactions, such as, incurring any additional borrowings, undertaking capital expenditure, effect any change in shareholding pattern and management control of the Company amongst others. In addition, any breach of financial or non-financial covenant may qualify as an event of default under financing agreements.

We cannot assure you that the lenders will not seek to enforce their rights in respect of any breach by us under our financing agreements. Any failure to comply with any condition or covenant under our financing agreements that is not waived by the lenders or is not otherwise cured by us, may lead to a termination of our credit facilities and/or acceleration of all amounts due under the relevant credit facility. Further, if the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under the financing documents, thereby reducing the availability of cash for our operations. In addition, the lenders may enforce their security interest in certain of our assets. Moreover, during the period in which we are in default, we may face difficulties in raising further loans. Any future inability to comply with the covenants under our financing agreements or to obtain the necessary consents required thereunder may lead to termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such financing agreements and enforcement of any security provided. Any of these circumstances may have an adversely affect our business, results of operation and financial condition. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event, the lenders refuse to renew / enhance the credit facilities and/or cancel / suspend / reduce the said credit facilities and/or alter the terms and conditions to the derogation of our Company, then our existing operations as well as our future business prospects and financial condition may be severely affected.

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

After completion of the Issue, our Promoters and Promoter Group will collectively own a majority of the Equity Shares of our Company. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our AoA. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**40. *Relevant copies of educational qualifications of some of our Directors and Promoters are not traceable.***

A relevant copy of the educational qualifications of one of our Directors Dinesh Ramnath Yadav is not traceable. The director has undertaken requisite steps such as requesting the respective universities for issue of duplicate certificates, however as on date, they have not received such certificates. The information included in the section are based on the confirmation obtained from such Director. Consequently, we or the Lead Manager cannot assure you that such information in relation to the particular Director are true and correct and you should not place undue reliance on the experience and qualification of our management included in this Draft Prospectus.

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

While facts and other statistics in the Draft Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various governmental and organizational web site data that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “*Industry Overview*” beginning on page 80. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**42. *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, 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 65.

**ISSUE SPECIFIC RISKS :**

**43. *Subsequent to the listing of the Equity Shares, we may be subject to surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors***

Subsequent to the listing of the Equity Shares, we may be subject to Additional Surveillance Measures (“**ASM**”) and Graded Surveillance Measures (“**GSM**”) by the Stock Exchanges and the Securities and Exchange Board of India. These measures have been introduced to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market-based parameters such as high low-price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. A scrip is subject to GSM when the share price is not commensurate with the financial health and fundamentals of the company. Specific parameters for GSM net worth, net fixed assets, PE, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency

(for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

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

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a fixed price process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

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

The Issue Price of our Equity Shares will be determined by fixed price method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. For details, see “**Basis for Issue Price**” on page 71. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

- 46. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. Any sale of our Equity Shares by our Promoters or major shareholders or future equity issuances, by us may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

- 47. *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 substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

**48. *Rights of shareholders under Indian laws may be more limited than 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 as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**49. *QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within 3 Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

**EXTERNAL RISK FACTORS:**

**50. *Our business and results of operations could be adversely affected by disruptions in global economic and geo political conditions.***

As we derive majority of our revenue from export sales, our financial performance and growth are necessarily dependent on economic conditions prevalent globally. The global economy may be materially and adversely affected by political instability or regional conflicts; a general rise in interest rates; inflation; exchange rate fluctuations; changes in tax including antidumping duties and countervailing duties, trade, and monetary policies; occurrence of natural or man-made disasters; downgrade in debt rating; and adverse global economic conditions due to various reasons such as, effect of COVID Pandemic, ongoing dispute between Russia and Ukraine etc. While the Indian economy has grown significantly in recent years, it has experienced economic slowdowns in the past due to global economic and geo political conditions. The Indian economy in particular could be adversely impacted by inflationary pressures, currency depreciation, the poor performance of its large agricultural and manufacturing sectors, trade deficits, recent initiatives by the Indian government and other factors. Unfavourable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business.

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

The regulatory and policy environment in India is evolving and subject to change. Such changes in applicable law and policy in India, including the instances described below, may adversely affect our business, financial condition, results of operations, performance and prospects in India, to the extent that we are not able to suitably respond to and comply with such changes.



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

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

**52. *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.***

Under the Companies Act, 2013, a company having share capital and 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 our 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 offering 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. 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

**53. *Investors may not be able to enforce judgments obtained in foreign courts against us.***

We are a public limited company under the laws of India. All of our directors and officers are Indian nationals and all or a significant portion of the assets of all of the directors and officers and a substantial portion of our assets are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of the United States federal securities laws.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the “**Civil Code**”). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the Reserve Bank of India to repatriate any amount recovered pursuant to the execution of the judgment.

**54. *We are a public limited company under the laws of India. All of our directors and officers are Indian nationals and all or a significant portion of the assets of all of the directors and officers and a substantial***

*portion of our assets are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of the United States federal securities laws Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

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

**55. *We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on the Emerge platform of NSE, subject to the receipt of the final listing and trading approvals from the NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- political instability, terrorism, military conflict, epidemic or public health issues in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Instability in financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- changes in India's tax, trade, fiscal or monetary policies; and
- other significant regulatory or economic developments in or affecting India or its logistics sector.

Moreover, a fall in the purchasing power of our customers, for any reason whatsoever, including rising consumer inflation, availability of financing to our customers, changing governmental policies and a slowdown in economic growth may have an adverse effect on our customers' revenues, savings and could in turn negatively affect their demand for our products. In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation relative to developed countries in the recent past. Continued high rates of inflation may increase our expenses related to costs of raw material, rent, salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high

rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

**57. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the 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 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 falls 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 Rupee proceeds from a 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 authority. 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.

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

Any adverse revisions to India's credit ratings for international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**59. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

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

**60. *The occurrence of natural or man-made disasters may adversely affect our business, financial condition, results of operations and cash flows.***

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

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

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

**61. *Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

***62. Rights of shareholders under Indian laws may be different from 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 as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as our shareholder than as a shareholder of an entity in another jurisdiction.

## SECTION III – INTRODUCTION

### THE ISSUE

The following table summarizes details of the Issue:

<b>Issue of Equity Shares <sup>(1)</sup></b>	Up to 31,69,200 Equity Shares having face value of ₹10 each fully paid-up for cash at price of ₹[●] per Equity Share aggregating to ₹ [●] Lakhs.
<b><i>The Issue consist of:</i></b>	
<b>Issue reserved for the Market Makers</b>	Up to [●] Equity Shares, aggregating up to ₹ [●]/- lakh
<b>Net Issue to the Public</b>	Up to [●] Equity Shares, aggregating up to ₹ [●]/- lakh
<b><i>Of which <sup>(3)</sup></i></b>	
<b>(a) Retail Individual Investors</b>	[●] Equity Shares aggregating up to ₹ [●]/- lakh
<b>(b) Other than Retail Individual Investors (including Non-Institutional Investors and Qualified Institutional Buyers)</b>	Not more than [●] Equity Shares aggregating up to ₹ [●]/- lakh
<b>Pre-Issue and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue (as on the date of this Draft Prospectus)	87,45,510 Equity Shares of Face value of ₹ 10 each
Equity Shares outstanding after the Issue	[●] Equity Shares
<b>Use of proceeds of the Issue</b>	For details regarding the use of proceeds from the Issue, see " <b>Objects of the Issue</b> " on page 65.

<sup>(1)</sup> *The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on April 16, 2024 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on April 22, 2024 pursuant to section 62(1)(c) of the Companies Act.*

<sup>(2)</sup> *This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended. For further details, please refer to chapter titled "**Issue Structure**" on page 202.*

<sup>(3)</sup> *As per the Regulation 253 of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net Issue to the public category shall be made as follows:*

1. *Minimum fifty percent to retail individual investor; and*
2. *remaining to:*
  - (a) *individual applicants other than retail individual investors; and*
  - (b) *other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*

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

*If the retail individual investor category is entitled to more than allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

For further details, kindly refer the chapter titled "**Terms of the Issue**" on page 194.

**SUMMARY OF FINANCIAL INFORMATION**

**Annexure 1 Restated Balance Sheet**

(Rs. in Lakhs)

<b>Particulars</b>	<b>Note</b>	<b>As on 31/12/2023</b>	<b>As on 31/03/2023</b>	<b>As on 31/03/2022</b>	<b>As on 31/03/2021</b>
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' funds</b>					
a) Share capital	2.1	583.03	583.03	583.03	499.00
b) Reserves and surplus	2.2	2,024.86	1,467.93	963.12	634.05
		<b>2,607.89</b>	<b>2,050.96</b>	<b>1,546.15</b>	<b>1,133.05</b>
<b>2. Current liabilities</b>					
a) Short-term borrowings	2.3	11,785.02	5,929.01	2,449.71	2,624.21
b) Trade payables	2.4				
Dues to Micro enterprises & small enterprises		12.48	-	-	-
Dues to Other than Micro enterprises & small enterprises		302.00	1,093.34	467.43	-
c) Other current liabilities	2.5	28.30	66.81	70.21	153.45
d) Short-term provisions	2.6	300.50	215.22	72.79	69.70
		<b>12,428.30</b>	<b>7,304.38</b>	<b>3,060.14</b>	<b>2,847.36</b>
<b>Total Equity &amp; Liability</b>		<b>15,036.19</b>	<b>9,355.34</b>	<b>4,606.30</b>	<b>3,980.41</b>
<b>ASSETS</b>					
<b>4. Non-current assets</b>					
<b>a) Property, Plant and Equipment and Intangible Assets</b>					
Property, Plant and Equipment	2.7	166.08	125.56	244.54	210.90
b) Non-current investments	2.8	944.51	944.51	359.95	178.00
c) Deferred tax assets (net)	2.9	1.89	1.52	1.23	1.13
e) Other non-current assets	3.0	8.99	1.82	1.82	1.83
		<b>1,121.47</b>	<b>1,073.41</b>	<b>607.54</b>	<b>391.86</b>
<b>5. Current assets</b>					
a) Inventories	3.1	6,302.94	2,237.08	1,220.61	879.92
b) Trade receivables	3.2	3,067.15	2,327.83	2,308.45	1,392.82
c) Cash and cash equivalents	3.3	3,681.67	3,615.47	389.40	1,221.50
d) Short-term loans and advances	3.4	59.98	11.54	13.60	31.31
e) Other current assets	3.5	802.98	90.01	66.70	63.00
		<b>13,914.72</b>	<b>8,281.93</b>	<b>3,998.76</b>	<b>3,588.55</b>
<b>Total Assets</b>		<b>15,036.19</b>	<b>9,355.34</b>	<b>4,606.30</b>	<b>3,980.41</b>

**Annexure 2 Restated Statement of Profit and Loss**

(In Rs Lakhs except earnings per share)

Particulars	Note	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
Revenue from operations	3.6	75881.78	63750.83	29204.03	23665.40
Other income	3.7	1368.49	96.35	51.37	28.07
<b>Total Revenue</b>		<b>77250.27</b>	<b>63847.18</b>	<b>29255.40</b>	<b>23693.47</b>
<b>Expenses</b>					
Purchases of Stock-in-Trade	3.8	79493.02	63118.80	28684.25	23059.79
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.9	-4065.86	-1016.47	-340.69	-83.09
Employee benefits expense	4.0	187.95	226.46	202.83	131.71
Finance costs	4.1	613.18	486.94	252.54	152.13
Depreciation and amortization expense	4.2	5.39	5.24	3.35	2.88
Other expenses	4.3	265.22	179.05	178.83	217.51
<b>Total expenses</b>		<b>76498.90</b>	<b>63000.02</b>	<b>28981.11</b>	<b>23480.93</b>
Profit before exceptional, extraordinary and prior period items and tax		751.37	847.16	274.29	212.54
Exceptional items		-	-	-	-
Profit before extraordinary and prior period items and tax		751.37	847.16	274.29	212.54
Extraordinary Items	4.4	-	-	9.62	-
Profit before prior period items and tax		751.37	847.16	283.91	212.54
Prior Period Items		-	-	-	-
Profit before tax		751.37	847.16	283.91	212.54
Tax expense:	4.5				
Current tax		194.82	212.22	70.89	60.15
Deferred tax		-0.38	-0.29	-0.10	0.63
Profit/(loss) for the period from continuing operations		556.93	635.23	213.12	151.76
Profit/(loss) from discontinuing operations		-	-	-	-
Tax expense of discontinuing operations		-	-	-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-	-	-
Profit/(loss) for the period		556.93	635.23	213.12	151.76
Earnings per equity share:	4.6				
Basic		9.55	10.90	4.27	3.04
Diluted		9.55	10.90	4.27	3.04

Annexure 3 Restated Cash Flow Statement

(in 'Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Cash Flow from Operating Activities</b>				
Net Profit Before Tax	751.37	847.16	283.91	212.54
<b>Adjustment For:</b>				
Depreciation	5.39	5.24	3.35	2.88
Gain or loss of Sale on Fixed Assets	0.05	0.00	0.00	0.00
Gain or loss of Investment	0.00	-16.63	-31.95	-6.00
Finance Cost	609.00	432.92	207.72	143.92
Other adjustment to reconcile Profit	0.00	-39.00	0.00	0.69
<b>Total Adjustment to profit and loss (A)</b>	<b>614.44</b>	<b>382.53</b>	<b>179.12</b>	<b>141.49</b>
<b>Changes in Working capital</b>				
Adjustment for (Increase)/Decrease in Inventories	-4065.86	-1016.47	-340.69	-83.09
Adjustment for (Increase)/Decrease in Trade Receivables	-739.32	-19.38	-915.63	-135.13
Adjustment for (Increase)/Decrease in Other Current Assets	-768.58	-21.25	14.02	-3.51
Adjustment for Increase/(Decrease) in Trade Payable	-791.34	625.91	467.43	254.48
Adjustment for Increase/(Decrease) in Other Current Liabilities	-38.51	-3.40	-83.24	-172.92
Adjustment for Increase/(Decrease) in Provisions	85.28	142.43	3.09	39.19
<b>Total Adjustment for Working Capital (B)</b>	<b>-6318.33</b>	<b>-292.16</b>	<b>-855.02</b>	<b>-100.98</b>
<b>Total Adjustment to reconcile profit (A+B)</b>	<b>-5703.89</b>	<b>90.37</b>	<b>-675.90</b>	<b>40.51</b>
<b>Net Cash flow from (Used in) operation</b>	<b>-4952.52</b>	<b>937.53</b>	<b>-391.99</b>	<b>253.05</b>
Income Tax Paid/ Refund	-194.82	-212.22	-70.89	-60.15
<b>Net Cash flow from (Used in) operation before Extra-Ordinary Items</b>	<b>-5134.86</b>	<b>725.31</b>	<b>-462.88</b>	<b>192.90</b>
Proceeds from Extra Ordinary Items				
Payment for Extra Ordinary Item				
<b>Net Cash flow from operating Activities</b>	<b>-5134.86</b>	<b>725.31</b>	<b>-462.88</b>	<b>192.90</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from sale of Fixed Assets	5.00	0.00	0.00	0.00
Proceeds from Investment or Equity Instruments	0.00	1776.58	17.46	45.00
Purchase of Fixed Assets	50.95	16.68	36.99	10.94
Purchase Of Investments or Equity Instruments	0.00	2344.51	167.46	0.00
Other Inflow/Outflow of Cash	0.00	39.00	0.00	0.00
<b>Net Cash flow from (Used in) in Investing Activities before Extra-Ordinary Items</b>	<b>-45.95</b>	<b>-545.61</b>	<b>-186.99</b>	<b>34.06</b>
Proceeds from Extra Ordinary Items				
Payment for Extra Ordinary Item				
<b>Net Cash flow from (Used in ) in Investing Activities</b>	<b>-45.95</b>	<b>-545.61</b>	<b>-186.99</b>	<b>34.06</b>
<b>Cash Flows from Financial Activities</b>				
Proceeds from Issuing Shares	0.00	0.00	199.99	0.00
Proceeds from Borrowing	5856.01	3479.30	0.00	342.06
Repayment of Borrowing	0.00	0.00	174.50	0.00
Interest Paid	609.00	432.92	207.72	143.92
<b>Net Cash flow from (Used in) in Financial Activities before Extra Ordinary Items</b>	<b>5247.01</b>	<b>3046.38</b>	<b>-182.23</b>	<b>198.14</b>
Proceeds from Extra Ordinary Items				
Payment for Extra Ordinary Item				
<b>Net Cash flow from (Used in) in Financial Activities</b>	<b>5247.01</b>	<b>3046.38</b>	<b>-182.23</b>	<b>198.14</b>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>66.20</b>	<b>3226.07</b>	<b>-832.10</b>	<b>425.10</b>



Effect of exchange rate change on cash and cash equivalents				
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>66.20</b>	<b>3226.07</b>	<b>-832.10</b>	<b>425.10</b>
Cash and cash equivalents at beginning of period	3615.47	389.40	1221.50	796.40
<b><i>Cash and cash equivalents at end of period</i></b>	<b>3681.67</b>	<b>3615.47</b>	<b>389.40</b>	<b>1221.50</b>

**Notes:**

- 1) Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts and payments.
- 2) The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

## GENERAL INFORMATION

### Registered Office

Plot No. 97, 1<sup>st</sup> Floor, Om Square,  
Near Ishwar Farm, BRTS Canal Road,  
Bhatar, Althan, Surat 395017,  
Gujarat, India  
**Tel:** +91 9825309977  
**Website:** [www.hvciipl.com](http://www.hvciipl.com)  
**E-mail:** [hvciipl@gmail.com](mailto:hvciipl@gmail.com)

**Corporate Identity Number:** U51395GJ2011PLC064616

**Registration Number:** 064616

### Details of incorporation and changes in the name of our Company

For details of our incorporation and changes to our name, see "*History and Certain Corporate Matters*" on page 109.

### Address of the Registrar of Companies

Our Company is registered with the RoC located at the following address:

#### RoC, Ahmedabad

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad 380013, Gujarat

### Board of Directors

Name And Designation	DIN	Address
<b>Vijay Lalsingh Yadav</b> <i>Designation: Managing Director</i>	01990164	7, Meghna Row House , Opp Agresan Bhawan, City Light Surat Surat City, SVR College, Surat, Gujarat – 395007
<b>Seemabahen Vijay Yadav</b> <i>Designation: Whole-time Director</i>	02008064	7, Meghna Row House Near Agresan Bhawan, City Light , Surat City, Surat, Gujarat – 395007
<b>Bharatlal Lalsingh Singh</b> <i>Designation: Non-Executive Director</i>	02379760	C-203 Pramukh hills, Chharwada Road, Chharwada, Chhiri, Valsad, Gujarat - 396191
<b>Chirag Jitendra Sheth</b> <i>Designation: Independent Director</i>	10473195	B/701, Raj Residency, Opp. Parshuram Garden, B/H Gangeshwar, Mahadevtemple, Surat City , Surat - 395009, Gujarat, India
<b>Dinesh Ram Nath Yadav</b> <i>Designation: Independent Director</i>	10473193	C-1001 Soham Elegance, TP 10 Main Road, Behind LP Savani International School, Pal Gam, Near Time Square, Gauravpath Junction, Surat Gujarat –395009

For further details of our Directors, see "*Our Management*" on page 112.

### Company Secretary and Compliance Officer

**Barkha Jain** is our Company Secretary and Compliance Officer.

**Address:** Plot No – 97, 01<sup>st</sup> Floor,  
Om Square, Near Ishwar Farm,  
BRTS Canal Road,  
Bhatar, Althan,  
Surat 395017,  
Gujarat, India **Tel:** +91 9825309977

E-mail id: [compliancehptl@gmail.com](mailto:compliancehptl@gmail.com)

### **Investor Grievances**

**Investors may contact the Company Secretary and Compliance Officer, Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.**

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

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within 3 months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint.

All grievances relating to applications submitted through the Registered Broker and/or a stockbroker may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

### **Lead Manager**

#### **Interactive Financial Services Limited**

508, Fifth Floor, Priviera, Nehru Nagar,  
Manekbag, Ahmedabad – 380015

Gujarat, India

**Tel:** +91 079-49088019 / +91 98980 55647

**E-mail:** [mbd@ifinservices.in](mailto:mbd@ifinservices.in)

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

**Investor Grievance E-mail:** [info@ifinservices.in](mailto:info@ifinservices.in)

**Contact Person:** Pradip Sandhir

**SEBI Registration No.:** INM000012856

### **Statement of responsibilities of the Lead Manager**

Interactive Financial Services Limited is the sole Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

### **Legal Counsel to the Company as to Indian Law**

#### **Vidhigya Associates, Advocates**

**Address:** 501, 5<sup>th</sup> Floor, Jeevan Sahakar Building

Sir P M Road, Homji Street Fort

Mumbai – 400 001, Maharashtra, India

**Correspondence Address:** 105, First Floor,

A wing, Kanara Business Centre,

Ghatkopar East, Mumbai - 400075

**Telephone:** +91 84240 30160

**Email:** [rahul@vidhigyaassociates.com](mailto:rahul@vidhigyaassociates.com)

**Contact Person:** Rahul Pandey

### **Registrar to the Issue**

#### **BIGSHARE SERVICES PRIVATE LIMITED**

Office No. S6-2, 6th Floor,  
Pinnacle Business Park,  
Next to Ahura Centre,  
Mahakali Caves Road,  
Andheri (East), Mumbai - 400093

**Tel No.:**+91 22-62638200

**Fax No.:** +91 22-62638299

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

**E-Mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Contact Person:** Sagar Pathare

**SEBI Reg. No.:** INR000001385

### **Banker to our Company**

#### **State Bank of India**

SMG SG HIGHWAY

**Contact person:** Vishal Priyadarshi

**Designation:** Relationship Manager

**E-mail:** [sbi.05146@sbi.co.in](mailto:sbi.05146@sbi.co.in)

**Website:** <https://bank.sbi>

#### **Axis Bank**

CBG CENTER, First Floor,

Digvijay Tower,

Ghad Dhad Road,

Opp. St. Xavier School,

Surat,- Gujarat-395007

**Contact person:** Honey Totalni

**E-mail:** [totloni.s@axisbank.com](mailto:totloni.s@axisbank.com)

### **Banker / Sponsor Bank / Refund Bank to the Issue**

The Banker / Sponsor Bank / Refund Bank to the Issue shall be appointed prior to filing of the Prospectus.

### **Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### **Statutory Auditor to our Company**

#### **M/s. Aslot and Associates**

Bungalow No -9, Ground Floor, West Side

Vishwakarma Society, Majura Gate

Ring Road, Surat-395002

**Tel:**+919099976099

**E-mail:** [ishan.aslot.ca@gmail.com](mailto:ishan.aslot.ca@gmail.com)

**ICAI Firm Registration Number:** 146025W

**Peer Review Number:**016009

### **Changes in Auditors**

Except as set out below, there have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Prospectus.

Name of the Auditor	Date of Appointment/ Cessation	Reason
M/s. Aslot and Associates	November 29, 2021	Appointment in Annual General Meeting
M/s. Aslot and Associates	July 30, 2021	Appointment in casual vacancy
M/s Jigar Choksi & Associates	July 8, 2021	Cessation due to pre-occupation
M/s Jigar Choksi & Associates	December 31, 2020	Appointment in casual vacancy

### Designated Intermediaries

#### Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. 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 it's updated from time to time.

#### Syndicate SCSB Branches

In relation to applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

#### Registered Brokers

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicant can submit Application Form for the Issue using the stockbrokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Brokers Centres.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### Collecting Depository Participants

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, 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 website of Stock Exchange. 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.

#### Registrar and Share Transfer Agent

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

#### Grading of the Issue

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

**Expert**

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

Our Company has received written consent dated May 01, 2024 from M/s. Aslot and Associates to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and referred to as an “expert” as defined under Section 2(38) of the Companies Act to the extent and in their capacity as the Statutory Auditor, and for inclusion of their examination report dated April 16, 2024 on examination of our Restated Financial Statements and in respect of various certifications issued by them and the statement of possible special tax benefits dated May 1, 2024 in the form and context in which it appears in this Draft Prospectus

However, the term “expert” and the consent thereof shall not be construed to mean an “expert” or consent within the meaning under the U.S. Securities Act, as amended (the “U.S. Securities Act”).

**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 ₹10,000.00 Lakhs. Since the size of the Issue does not exceed one hundred crore rupees, we are not required to appoint monitoring agency.

Our Company has not appointed any monitoring agency for this Issue. However, 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 Prospectus.

**Appraising Entity**

Our Company has not appointed any appraising agency for appraisal of the Project.

**Credit Rating**

As the Issue is of Equity Shares, credit rating is not required.

**Debenture trustees**

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

**Green Shoe Option**

No green shoe option is applicable for the Issue.

**Filing of Issue Document**

A soft copy of this Draft Prospectus has been and a soft copy of the Prospectus will be filed with Emerge Platform of NSE. The Prospectus shall not be filed with SEBI, nor shall SEBI issue any observation on the Issue Document in terms of Regulation 246(2) of SEBI ICDR Regulations.

However, pursuant to Regulation 246(5), the soft copy of Prospectus shall be submitted to SEBI. Pursuant to

SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus shall be filed online with the SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

### Type of Issue

The present Issue is considered to be 100% Fixed Price Issue.

### Underwriter

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Details of the Underwriter	No. of Shares Underwritten*	Amount Underwritten	% of the total Issue Size Underwritten
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]

\*Includes [●] Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated [●] in order to comply with the requirements of Regulation 261 of the SEBI ICDR Regulations.

In terms of Regulation 260(1) of the SEBI ICDR Regulations, the initial public offer shall be underwritten for hundred per cent (100%) of the Issue and shall not be restricted up to the minimum subscription level. As per Regulation 260(2) of SEBI ICDR Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

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

### Details of Market Making Arrangement

Our Company and the Lead Manager have entered into Market Making Agreement dated [●] with the following Market Maker to fulfil the obligations of market making for this Issue:

<b>Name</b>	[●]
<b>Address</b>	[●]
<b>Telephone</b>	[●]
<b>E-mail</b>	[●]
<b>Contact Person</b>	[●]
<b>SEBI Registration No.</b>	[●]
<b>Market Maker Registration No.</b>	[●]

[●], registered with Emerge platform of NSE, will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified in SEBI ICDR Regulations as amended from time to time.

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

*In terms of Regulation 261(1) of SEBI ICDR Regulations, the market making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the NSE Emerge and SEBI regarding this matter from time to time.*

*In terms of Regulation 261(2) of SEBI ICDR Regulations, the Market Maker or Issuer, in consultation with the Lead Manager may enter into agreements with the nominated investors for receiving or delivering the specified*

*securities in market making, subject to the prior approval of the NSE Emerge.*

*In terms of regulation 261(3) of SEBI ICDR Regulations, flowing is a summary of the key details pertaining to the Market Making arrangement:*

The Market Maker “[●]”, shall be required to provide a two-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 Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

The prices quoted by Market Maker shall be in compliance with the market maker spread requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.

The minimum depth of the quote shall be ₹[●]. However, the investors with holdings of value less than ₹[●] shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE Emerge may intimate the same to SEBI after due verification.

The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on [●] (in this case currently the minimum trading lot size is [●] Equity Shares; however, the same may be changed by the NSE from time to time).

The shares of the Company will be traded in Trade for Trade Segment for the first 10 days from commencement of trading (as per SEBI Circular no: CIR/MRD/DP/ 02/2012 dated January 20, 2012) on the EmergePlatform of NSE and market maker will remain present as per the guidelines mentioned under the NSE Emerge and SEBI circulars.

The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the SEBI.

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.

In terms of regulation 261(6) of SEBI ICDR Regulations, Market Maker shall not buy the Equity Shares from the Promoters or persons belonging to Promoter Group of the Company or any person who has acquired equity shares from such Promoters or person belonging to Promoter Group, during the compulsory market making period.

In terms of regulation 261(7) of SEBI ICDR Regulations, the Promoters' holding of the Company shall not be eligible for offering to the Market Maker during the compulsory market making period. However, the promoters' holding of our Company which is not locked-in as per the SEBI ICDR Regulations, can be traded with prior permission of the NSE, in the manner specified by SEBI from time to time.

The Lead Manager may be represented on the Board of the Issuer Company in compliance with Regulation 261 (8) of SEBI ICDR Regulations.

The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of our Company via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.

**Risk containment measures and monitoring for Market Maker:** The Emerge platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE Emerge may impose other margins as deemed necessary from time-to-time.



**Punitive Action in case of default by Market Maker:** The Emerge platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market 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 they are 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.

The Market Maker shall have the right to terminate said arrangement by giving 3 (three) months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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 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 regulation 261 of the SEBI ICDR Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the relevant laws and regulations applicable at that particular point of time.

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.

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

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

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

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

#### **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within 2 (Two) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within 1 (One) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

## CAPITAL STRUCTURE

Details of the share capital of our Company, as on the date of this Draft Prospectus, are set forth below (in ₹, except share data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price*
<b>A.</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	1,20,00,000 Equity Shares of face value of ₹10 each	12,00,00,000	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	87,45,510 Equity Shares of face value of ₹10 each	8,74,55,100	-
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS#</b>		
	Issue of up to 31,69,200 Equity Shares of face value of ₹10 each aggregating to ₹[●]	[●]	[●]
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE*</b>		
	[●] Equity Shares of face value ₹10 each	[●]##	-
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		0.00
	After the Issue		[●]

\* Details to be included upon finalization of Issue Price

\*\* For details in relation to the changes in the authorised share capital of our Company, see “History and Certain Corporate Matters – Amendments to our Memorandum of Association” on page 109.

# The Issue has been authorised by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated April 16, 2024 and April 22, 2024, respectively.

## Subject to finalization Basis of Allotment.

### Notes to Capital Structure

#### I. Share Capital History of our Company

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

##### 1. Equity Share capital

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 26, 2011	10,000	10	10	Cash	Subscription to MOA <sup>(1)</sup>	10,000	1,00,000
May 20, 2011	9,90,000	10	10	Cash	Further Issue <sup>(2)</sup>	10,00,000	1,00,00,000
November 5, 2012	10,00,000	10	10	Cash	Further Issue <sup>(3)</sup>	20,00,000	2,00,00,000
March 31, 2015	10,00,000	10	10	Cash	Further Issue <sup>(4)</sup>	30,00,000	3,00,00,000
February 29, 2016	10,00,000	10	11	Cash	Private Placement Basis <sup>(5)</sup>	40,00,000	4,00,00,000
March 19,	2,50,000	10	11	Cash	Rights Issue <sup>(6)</sup>	42,50,000	4,25,00,000

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
2017							
December 28, 2017	5,00,000	10	11	Cash	Rights Issue <sup>(7)</sup>	47,50,000	4,75,00,000
March 29, 2019	2,40,000	10	11	Cash	Rights Issue <sup>(8)</sup>	49,90,000	4,99,00,000
March 30, 2022	8,40,340	10	23.80	Cash	Rights Issue <sup>(9)</sup>	58,30,340	5,83,03,400
January 22, 2024	29,15,170	10	N.A.	Other than Cash	Bonus Issue <sup>(10)</sup>	87,45,510	8,74,55,100

- (1) Allotment of 5,000 Equity Shares to Vijay Lalsingh Yadav and 5,000 Equity Shares to Seema Vijay Yadav pursuant to subscription of MOA.
- (2) Allotment of 4,95,000 Equity Shares to Vijay Lalsingh Yadav and 4,95,000 Equity Shares to Seema Vijay Yadav pursuant to further issue.
- (3) Allotment of 3,50,000 Equity Shares to Vijay Lalsingh Yadav, 3,50,000 Equity Shares to Seema Vijay Yadav and 3,00,000 Equity Shares to Ajay Mohanlal Mishra pursuant to further issue.
- (4) Allotment of 2,00,000 Equity Shares to Vijay Lalsingh Yadav, 2,00,000 Equity Shares to Seemabahen Vijay Yadav and 6,00,000 Equity Shares to Ajay Mohanlal Mishra pursuant to further issue.
- (5) Allotment of 4,00,000 Equity Shares to Vijay Lalsingh Yadav, 1,70,000 Equity Shares to Bharatlal Lalsingh Singh, 1,40,000 Equity Shares to Krishna Lalsingh Yadav, 1,00,000 Equity Shares to Sangita Bharat Yadav and 1,90,000 Equity Shares to Seemabahen Vijay Yadav on Private Placement basis.
- (6) Allotment of 1,25,000 Equity Shares to Vijay Lalsingh Yadav and 1,25,000 Equity Shares to Seemabahen Vijay Yadav on Rights Issue basis.
- (7) Allotment of 2,50,000 Equity Shares to Vijay Lalsingh Yadav and 2,50,000 Equity Shares to Seemabahen Vijay Yadav on Rights Issue basis.
- (8) Allotment of 2,40,000 Equity Shares to Seemabahen Vijay Yadav on Rights Issue basis.
- (9) Allotment of 2,10,085 Equity Shares to Vijay Lalsingh Yadav and 6,30,255 Equity Shares to Seemabahen Vijay Yadav on Rights Issue basis.
- (10) Allotment of 14,67,543 Equity Shares to Vijay Lalsingh Yadav, 85,000 Equity Shares to Bharatlal Lalsingh Singh, 70,000 Equity Shares to Krishna Lalsingh Yadav, 50,000 Equity Shares to Sangita Bharat Yadav, 12,42,617 Equity Shares to Seemabahen Vijay Yadav, 5 Equity Shares to Ashutosh Pathak and 5 Equity Shares to Nikhilesh Purohit as Bonus Issue in the ratio 2:1, i.e., one bonus Equity Share for every two fully paid-up Equity Shares held by the shareholders of the Company.

## 2. Preference Share Capital

As on the date of this Draft Prospectus, our Company does not have any preference share capital.

## II. Issue of shares for consideration other than cash or out of revaluation of reserves

Except as set out below, our Company has not issued any Equity Shares for consideration other than cash or out of revaluation of reserves at any time since incorporation.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason of allotment	Benefits accrued to our Company
January 22, 2024	29,15,170	10	N.A.	Bonus Issue in the ratio of one bonus Equity Share for every two fully paid-up Equity Shares held by the shareholders of the Company <sup>(1)</sup>	Capitalization of reserves

- (1) Allotment of 14,67,543 Equity Shares to Vijay Lalsingh Yadav, 85,000 Equity Shares to Bharatlal Lalsingh Singh, 70,000 Equity Shares to Krishna Lalsingh Yadav, 50,000 Equity Shares to Sangita Yadav, 12,42,617 Equity Shares to Seemabahen Vijay Yadav, 5 Equity Shares to Ashutosh Pathak and 5 Equity Shares to Nikhilesh Purohit as Bonus Issue in the ratio 2:1, i.e., one bonus Equity Share for every two fully paid-up Equity Shares held by the shareholders of the Company.

**III. Issue of Equity Shares pursuant to scheme of arrangement**

Our Company has not allotted any Equity Shares pursuant to a scheme of amalgamation approved under Section 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

**IV. Issue or transfer of Equity Shares under employee stock option schemes**

The Company does not have any employee stock option schemes under which any equity shares of the Company is granted. Accordingly, no Equity Shares have been issued or transferred by our Company pursuant to the exercise of any employee stock options.

**V. Issue of shares at a price lower than the Issue Price in the last year**

The Issue Price for the Equity Shares is ₹[●]. Except Bonus Issue, our Company has not issued any shares in the last year. For details of the allotments made in the last one year, see “*Capital Structure – Share Capital History of Our Company – Equity Share capital*” beginning on page 56.

*[Remainder of the page has been intentionally left blank]*

## Shareholding Pattern of our Company

The table below presents the equity shareholding pattern of our Company as on the date of this Draft Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number 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)			Number 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+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoters and Promoter Group	5	87,45,480	-	-	87,45,480	99.99	87,45,480	87,45,480	99.99	-	-	-	-	-	-	85,35,480
(B)	Public	2	30	-	-	30	0.01	30	30	0.01	-	-	-	-	-	-	30
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	7	87,45,510	-	-	87,45,510	100	87,45,510	87,45,510	100	-	-	-	-	-	-	8535510

### Other details of shareholding of our Company

As on the date of the filing of this Draft Prospectus, our Company has 7 Shareholders.

Set forth below are the details of the build-up of our Promoters' shareholding in our Company since incorporation:

Date of allotment/ acquisition / transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue Price/Consideration per Equity Share (₹)	Nature of consideration	Nature of allotment / transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)* *(1)	% of Post-Issue capital (₹)
<b>Vijay Lalsingh Yadav</b>								
March 26, 2011	5,000	10	10	Cash	Subscription to MOA	5,000	[●]	[●]
May 20, 2011	4,95,000	10	10	Cash	Further Issue	5,00,000	[●]	[●]
November 5, 2012	3,50,000	10	10	Cash	Further Issue	8,50,000	[●]	[●]
March 31, 2015	2,00,000	10	10	Cash	Further Issue	10,50,000	[●]	[●]
February 29, 2016	4,00,000	10	11	Cash	Private Placement Basis	14,50,000	[●]	[●]
March 19, 2017	1,25,000	10	11	Cash	Rights Issue	15,75,000	[●]	[●]
December 28, 2017	2,50,000	10	11	Cash	Rights Issue	18,25,000	[●]	[●]
March 30, 2022	2,10,085	10	13.80	Cash	Rights Issue	20,35,085	[●]	[●]
April 16, 2022	9,00,000	10	26.69	Cash	Transfer of Equity Shares from Ajay Mohanlal Mishra	29,35,085	[●]	[●]
January 22, 2024	14,67,543	10	N.A.	Other than Cash	Bonus Issue	44,02,628		
<b>Sub-Total (A)</b>	<b>44,02,628</b>						[●]	[●]
<b>Seemababen Vijay Yadav</b>								
March 26, 2011	5,000	10	10	Cash	Subscription to MOA	5,000	[●]	[●]
May 20, 2011	4,95,000	10	10	Cash	Further Issue	5,00,000	[●]	[●]
November 5, 2012	3,50,000	10	10	Cash	Further Issue	8,50,000	[●]	[●]
March 31, 2015	2,00,000	10	10	Cash	Further Issue	10,50,000	[●]	[●]
February 29, 2016	1,90,000	10	11	Cash	Private Placement Basis	12,40,000	[●]	[●]
March 19, 2017	1,25,000	10	11	Cash	Rights Issue	13,65,000	[●]	[●]
December 28, 2017	2,50,000	10	11	Cash	Rights Issue	16,15,000	[●]	[●]
March 29, 2019	2,40,000	10	11	Cash	Rights Issue	18,55,000	[●]	[●]
March 30, 2022	6,30,255	10	13.80	Cash	Rights Issue	24,85,255	[●]	[●]
January 8, 2024	(10)	10	200	Cash	Transfer of Equity Shares to Ashutosh Pathak	24,85,245	[●]	[●]
January 8, 2024	(10)	10	200	Cash	Transfer of Equity Shares to Nikhilesh Purohit	24,85,235	[●]	[●]

January 22, 2024	12,42,617	10	N.A.	Other than Cash	Bonus Issue	37,27,852	[●]	[●]
<b>Sub-Total (B)</b>	<b>37,27,852</b>						[●]	[●]
<b>Bharatlal Lalsingh Singh</b>								
February 29, 2016	1,70,000	10	11	Cash	Private Placement Basis	1,70,000	[●]	[●]
January 22, 2024	85,000	10	N.A.	Other than Cash	Bonus Issue	2,55,000	[●]	[●]
<b>Sub-Total (C)</b>	<b>2,55,000</b>						[●]	[●]
<b>Total (A+B+C)</b>	<b>83,85,480</b>						[●]	[●]

\*The figures in the row have been rounded-off to the closest decimal.

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

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
1.	Vijay Lalsingh Yadav	44,02,628	50.34
2.	Seemabahen Vijay Yadav	37,27,852	42.63
3.	Bharatlal Lalsingh Singh	2,55,000	2.91
4.	Krishna Lalsingh Yadav	2,10,000	2.40
5.	Sangita Yadav	1,50,000	1.71
<b>Total</b>		<b>87,45,480</b>	<b>99.99</b>

• Rounded off to the closest decimal

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

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
1.	Vijay Lalsingh Yadav	44,02,628	50.34
2.	Seemabahen Vijay Yadav	37,27,852	42.63
3.	Bharatlal Lalsingh Singh	2,55,000	2.91
4.	Krishna Lalsingh Yadav	2,10,000	2.40
5.	Sangita Yadav	1,50,000	1.71
<b>Total</b>		<b>87,45,480</b>	<b>99.99</b>

\*Rounded off to the closest decimal

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of one year prior to the date of this Draft Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
1.	Vijay Lalsingh Yadav	29,35,085	50.34
2.	Seemabahen Vijay Yadav	24,85,255	42.62
3.	Bharatlal Lalsingh Singh	1,70,000	2.92
4.	Krishna Lalsingh Yadav	1,40,000	2.40
5.	Sangita Yadav	1,00,000	1.72
<b>Total</b>		<b>58,30,340</b>	<b>100</b>

\*Rounded off to the closest decimal

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of this Draft Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
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1.	Vijay Lalsingh Yadav	20,35,085	34.91
2.	Seemabahen Vijay Yadav	24,85,255	42.63
3.	Bharatlal Lalsingh Singh	1,70,000	2.92
4.	Krishna Lalsingh Yadav	1,40,000	2.40
5.	Sangita Yadav	1,00,000	1.72
6.	Ajay Mishra	9,00,000	15.44
<b>Total</b>		<b>58,30,340</b>	<b>100</b>

\*Rounded off to the closest decimal

#### The aggregate shareholding of the Promoters and Promoter group

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Pre-Issue Equity Share capital(%)	Percentage of the Post-Issue Equity Share capital (%)
<b>Promoters</b>				
1.	Vijay Lalsingh Yadav	44,02,628	50.34	●
2.	Seemabahen Vijay Yadav	37,27,852	42.63	●
3.	Bharatlal Lalsingh Singh	2,55,000	2.91	●
<b>Promoter Group</b>				
1.	Krishna Lalsingh Yadav	2,10,000	2.40	●
2.	Sangita Yadav	1,50,000	1.71	●
<b>Total</b>		<b>87,45,480</b>	<b>99.99</b>	<b>●</b>

\*Rounded off to the closest decimal

The number of specified securities purchased or sold by the Promoter Group and/ or by the Directors of our Company and their relatives in the preceding six months.

No.	Name of the Shareholders	Date of Purchase/Sale	Number of Equity Shares	Percentage of the Pre-Issue Equity Share capital (%)
<b>Sold</b>				
<b>Seemabahen Vijay Yadav</b>				
1.	Transfer of Equity Shares to Ashutosh Pathak	January 8, 2024	10	●
2.	Transfer of Equity Shares to Nikhilesh Purohit	January 8, 2024	10	●
<b>Purchased</b>				
NIL				

#### Details of lock-in

Vijay Lalsingh Yadav, Seemabahen Vijay Yadav and Bharatlal Lalsingh Singh are the Promoters of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013. Accordingly, in terms of Regulation 236(1) of the SEBI ICDR Regulations, the said Promoters have complied with the requirement of minimum promoter's contribution in this Issue and in terms of Regulation 238(a) the following Equity Shares are locked in for a period of 3 years pursuant to the Issue.

Name of Promoters	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue / Acquisition price per Equity Share (₹)	Percentage of the pre-Issue paid-up capital (%)	Percentage of the post-Issue paid-up capital (%)	Date upto which Equity Shares are subject to lock-in
Vijay	●	●	●	●	●	●	●	●

	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Seemababen Vijay Yadav</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Bhratlal Lalsingh Singh</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

The shareholding of the Promoters in excess of 20% of the fully diluted Post-Issue Equity Share capital shall be locked in for a period of 1 year from the date of Allotment.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 237 of the SEBI ICDR Regulations.

In this connection, please note that:

The Equity Shares issued for Promoter's contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction, (ii) Equity Shares resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of minimum Promoter's contribution.

The minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being issued to the public in the Issue.

Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.

As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoters are pledged.

All the Equity Shares held by our Promoters will be in dematerialized form at the time of filing Prospectus .

The Equity Shares held by any person and locked-in for a period of 1 year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Prospectus.

Any Equity Shares allotted to Anchor Investors shall be locked-in for a period of 30 days from the date of Allotment.

Except for the allotment of Equity Shares pursuant to the Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Prospectus with the Stock Exchange until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, undersubscription etc., as the case may be.

Our Company, our Directors and the Lead Manager have no existing buy-back arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

All Equity Shares offered pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus.

As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

No person connected with the Issue, including, but not limited to, the Lead Manager, the members of the Syndicate, our Company and Directors shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an Application.

There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

## SECTION IV - PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

Our Company proposes to utilize the proceeds from the issue towards funding the following objects and achieve the benefits of listing the Equity Shares on the Stock Exchanges. The Issue comprises of fresh Issue of up to 31,69,200\* Equity Shares of our Company at an Issue Price of ₹ [●]/-per Equity Share, aggregating up to ₹[●] lakhs by our Company. The proceeds from the Issue after deducting Issue related expenses are estimated to be ₹[●] lakhs (the “Net proceeds”)

*\*Subject to finalisation of allotment*

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

3. Funding the working capital requirements of our Company; and
4. General Corporate Purpose;

(Collectively referred to as “Objects”)

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company’s visibility and brand image and creation of a public market for our Equity Shares in India. The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

### Net Proceeds

The details of the proceeds of the issue are summarized in the table below:

Sr. No.	Particulars	*Estimated Amount (₹ In lakhs)
1.	Gross proceeds from the issue	[●]
2.	Less: Issue related expenses**	[●]
<b>Net proceeds of the issue</b>		[●]

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

*\*\*See “Issue Related Expenses” as detailed below*

### Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Funding the Working Capital requirement	2300.00
2.	General corporate purposes	[●]
<b>Total utilization of net proceeds</b>		[●]

*The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue.*

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the lead manager or appraised by any bank or financial institution or any other external agency. Given the dynamic nature of our business and our Company, we may have to revise the estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In addition, the estimated dates of completion of various plans as described herein are based on management’s current expectations and are subject to change due to various factors, some of which may not be in our control.

In the event of shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “Risk Factors” beginning on page. 21 of this Draft Prospectus.

### Schedule of implementation and Deployment 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)

Sr. No.	Particulars	Total Estimated Cost	Amount already deployed	Estimated utilization of net proceeds in FY 2024-2025
1.	Funding the Working Capital requirement	2300.00	Nil	2300.00
2.	General corporate purposes	[●]	Nil	[●]
	<b>Total</b>	[●]	Nil	[●]

*The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue*

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2024-25. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2024-2025 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

### Means of Finance

In the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

The fund requirements for all the Objects of the Issue are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals.

### DETAILS OF THE OBJECTS OF THE ISSUE

#### Funding the working capital requirements of our Company

Our Company proposes to utilise ₹2300.00 lakhs from the Net Proceeds towards funding its working capital requirements in Financial Year ending March 31, 2025.

We are engaged in the distribution business of smart phones, smart watches, and Accessories. our Company derives more than 80% of its revenue from Apple, it becomes important to understand the whole distribution chain of Apple India. Currently the company is the regional distributor for Apple in India covering 3 states i.e. Gujarat, Madhya Pradesh and Chattisgarh. As on December 31, 2023 the net working capital consist of ₹1486.42 lakhs. As on March 31, 2023, the Company’s net working capital consisted of ₹977.55 Lakhs as against ₹ 938.62 lakhs as on March 31, 2022. As on the date of this Draft Prospectus we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, and working capital loans from the Banks etc.

The working capital requirement consist of the Cash and Bank balances. The cash and bank Balances as on December 31, 2023 and as on March 31, 2023, March 31, 2022 and March 31, 2021 were ₹3681.67 Lakhs, ₹3615.47 Lakhs, ₹389.40 Lakhs and ₹1221.50 lakhs respectively.

Deposits are included in cash and cash equivalent, as the same are provided as collateral against short-term borrowings, as per Schedule III of the Companies Act, 2013.

The portion of deposits in cash and cash equivalent is as follows:

(Rs. in lakhs)

Particulars	FY 2023-24 (upto 31/12/2023)	FY 2022-23	FY 2021-22	FY 2020-21
Cash & Cash Equivalents	3681.67	3615.47	389.40	1221.50
Deposits	2346.65	873.73	370.38	356.95
Balance Cash and Bank Balance	1335.02	2741.74	19.02	864.55

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

(₹ In Lacs)

Particulars	31.03.2021	31.03.2022	31.03.2023	31.12.2023	31.03.2024	31.03.2025
	Audited	Audited	Audited	Audited	Provisional	Provisional
Inventory	879.92	1220.61	2237.08	6302.94	6112.33	8557.26
Trade Receivables	1392.82	2308.45	2327.83	3067.15	3013.70	4219.18
Cash and Bank Balances	1221.5	389.4	3615.47	3681.67	4000.00	3985.87
Loans and advances	31.31	13.6	11.54	59.98	100.00	100
Other Current Assets	63	66.7	90.01	802.98	1000.00	1500
<b>Total</b>	<b>3588.55</b>	<b>3998.76</b>	<b>8281.93</b>	<b>13914.72</b>	<b>14226.03</b>	<b>18362.31</b>
Less:						
Trade Payables	0	467.43	1093.34	314.48	265.75	372.05
other Current Liabilities	153.45	70.21	66.81	28.3	30.00	110
Provisions	69.70	72.79	215.22	300.5	450.00	600
<b>Total Liabilities</b>	<b>223.15</b>	<b>610.43</b>	<b>1375.37</b>	<b>643.28</b>	<b>745.75</b>	<b>1082.05</b>
Net Working Capital	3365.40	3388.33	6906.56	13271.44	13480.27	17280.25
Less: Bank Borrowings	2624.21	2449.71	5929.01	11785.02	11785.02	12385
Balance	741.19	938.62	977.55	1486.42	1695.25	4895.25
Financed through Capital Internal Cash Accruals & Loan from Directors & Relative of Directors	741.19	938.62	977.55	1486.42	1695.25	2595.25
Fund from IPO (2024-25)						2300.00

As certified by our Statutory Auditors vide certificate dated May 14, 2024, UDIN:24180986BKFFWK4340 and as approved by the Board of Directors of our Company pursuant to its resolution dated May 14, 2024.

**Assumptions for working capital requirements.**

Particulars	No. of Days outstanding or holding level as on			Period ended on December 31, 2023	F.Y. 2023-24 (current year)	F.Y. 2024-25 (Estimated)	Justification for Holding
	F.Y. 2020-21	F.Y.2021-22	F.Y.2022-23				
Inventory	14	16	23	23	23	23	The inventory estimated for the FY 2024-25 are on the basis of inventory maintained by the Company for FY 2022-23 and for the period ended on December 31, 2023
Trade Receivables	21	29	13	11	11	11	The Trade Receivables estimated for the FY 2024-25 are on the basis of inventory maintained by the Company for FY 2022-23 and for the period ended on December 31, 2023

Trade Payables	0	6	6	1	1	1	The Trade Payables estimated for the FY 2024-25 are on the basis of inventory maintained by the Company for FY 2022-23 and for the period ended on December 31, 2023
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As certified by our Statutory Auditors vide certificate dated May 14, 2024, UDIN:24180986BKFFWK4340 and as approved by the Board of Directors of our Company pursuant to its resolution dated May 14, 2024.

### General corporate purposes

In terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the proceeds of the issue.

Our management will have flexibility in applying ₹[●] lakhs of the Net Proceeds towards general corporate purposes. The general corporate purposes for which our Company proposes to utilize Net Proceeds include, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives
  - further capital expenditure;
  - ongoing general corporate exigencies; and
- any other purposes as approved by the Board not in nature of working capital and subject to compliance with the necessary regulatory provisions.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose.

### Issue Related Expenses

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

Activity	Estimated expenses (₹ in lakhs)	As a % of total estimated issue related expenses	As a % of Gross Issue Size
Lead Manger Fees including Underwriting Commission.	[●]	[●]	[●]
Brokerage, selling commission and upload fees	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationary	[●]	[●]	[●]
Others (Market Making fees etc.)	[●]	[●]	[●]
<b>Total estimated issue related expenses</b>	[●]	[●]	[●]

\*Issue expenses excludes applicable taxes, where applicable. Issue expenses will be incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change

### Notes

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

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)	₹ 10 per application on wherein shares are allotted
Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them)	₹ 10 per application on wherein shares are allotted
Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank	₹10 per application on wherein shares are allotted
Sponsor Bank shall be payable processing fees on UPI application processed by them	₹ 5 per application on wherein shares are allotted

2. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them
3. The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.
4. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

#### **Interim use of Net Proceeds**

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only with 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, our Company confirms that, pending utilisation 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.

#### **Bridge Financing Facilities**

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

#### **Appraisal Report**

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

#### **Monitoring Utilization of Funds**

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

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

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



**Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Employees. Our Company has not entered into or is not planning to enter into any arrangement / agreements with Promoters, Directors, key management personnel, associates or Group Companies in relation to the utilization of the Net Proceeds of the Issue.

**Other Confirmation**

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

## BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] per Equity Share is determined by our Company in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹10.00/- per Equity Share and Issue Price is ₹ [●] per Equity Share. The Issue Price is [●] times the face value.

Investors should refer sections / chapters titled “*Risk Factors*”, “*Restated Financial Statements*”, “*Management Discussion and Analysis of Financial Condition and Results of Operations*” and “*Business Overview*” beginning on page 21, 126, 157 and 88 respectively of this Draft Prospectus to get an informed view before making an investment decision.

The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

### Qualitative Factors

Some of the Qualitative Factors, which form the basis for computing the price

1. Exclusive Distribution Rights
2. Strong Brand Reputation
3. Experienced and Visionary Leadership
4. Robust network and relationships with suppliers
5. Financial Stability and Resources

For further details, please refer to the paragraph titled “*Our Competitive Strengths*” in the chapter titled “*Business Overview*” beginning on page 88 of this Draft Prospectus.

### Quantitative Factors

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

#### 1) Basic and Diluted Earnings Per Share (EPS)

Year ended	Weights	Basic and Diluted EPS	Basic and Diluted EPS
		Pre-Bonus	Post Bonus
March 31, 2021	1	3.04	1.92
March 31, 2022	2	4.27	2.70
March 31, 2023	3	10.9	7.26
<b>Weightage Average EPS</b>	<b>6</b>	<b>7.38</b>	<b>4.85</b>
<b>December 31, 2023*</b>		<b>9.55</b>	<b>6.37</b>
<b>Annualised</b>		<b>12.73</b>	<b>8.49</b>

\*Not Annualized

**Note.** Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no of equity shares outstanding during the year as per restated financials

#### 2) Price to Earnings (P/E) ratio in relation to Issue Price [●] per Equity Share of ₹10.00/- each fully paid up

Particulars	P/E ratio
<b>Pre-Bonus</b>	
P/E ratio based on Basic and diluted EPS as at March 31, 2023	[●]
P/E ratio based on Weighted Average Basic and diluted EPS	[●]
P/E ratio based on Basic and diluted EPS as at December 31, 2023	[●]
<b>Post Bonus</b>	
P/E ratio based on Basic and diluted EPS as at March 31, 2023	[●]
P/E ratio based on Weighted Average Basic and diluted EPS	[●]

P/E ratio based on Basic and diluted EPS as at December 31, 2023	
<b>**Industry</b>	
Highest	155.63
Lowest	32.36
Average	94.00

\*\* There is no company in peer group with the volume of business which the company is operating.

### 3) Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per restated financial statements

Year Ended	RONW (%)	Weight
March 31, 2021	13.39	1
March 31, 2022	13.78	2
March 31, 2023	30.97	3
<b>Weighted Average</b>		22.31
<b>December 31, 2023</b>		21.36

**Note:** Return on Net worth has been calculated as per the following formula:

- 1) Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- 2) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

### 4) Net Asset Value (NAV)

Particulars	₹ per share
Net Asset Value per Equity Share as of March 31, 2023	35.18
Net Asset Value per Equity Share as of December 31, 2023	44.73
Net Asset Value per Equity Shares (Post Bonus issue of shares)	29.82
Net Asset Value per Equity Share after IPO	[●]
Issue Price	[●]

Note: Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year}}$$

### 5) Comparison with industry peers

Companies	CMP*	EPS	PE Ratio	RONW (%)	NAV (Per Share)	Face Value	Income from Revenue	Other Income	Total Income (₹ in Lakhs)
HP Telecom Limited ##	[●]	10.90	[●]	30.97	35.18	10.00	63,750.83	96.35	63847.18
<b>Peer Group</b>									
Bhatia Communications & Retail (India) limited	21.94	0.68	32.36	15.55	4.36	1.00	31,348.18	3,126.25	34474.43
Jay Jalaram Technologies Limited	396.85	2.55	155.63	10.62	21.22	10.00	24,920.48	99.54	25,020.02

\*CMP as on 26 April, 2024

## Amount taken as on March 31, 2023

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

- a) Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above company is included for broad comparison.
- b) The figures for HP Telecom Limited, are based on the restated standalone financial statements for the year ended March 31,2023.
- c) The figures are based on the Standalone financial statements for the year ended March 31, 2023 of Bhatia Communications & Retail (India) limited and Jay Jalaram Technologies Limited from the Annual reports of the Companies available from the website of the Stock Exchange and website of the Companies.
- d) CMP of the peer group is as per the closing price as available on [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)
- e) P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on 26 April, 2024 sourced from website of Stock Exchange as divided by the Basic/diluted EPS as applicable

### Key Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyses the business performance, which in result, help us in analysing the growth of various verticals.

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

Key Performance	Financial	Explanations
Revenue from Operations	from	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of the business.
Growth in revenue from operations		The growth in revenue from operations reflects an increase in the income generated by a company's core business activities over a specific period.
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 the business
PAT		Profit after tax provides information regarding the overall profitability of the business
PAT Margin		PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Net Worth		Net Worth is an important metric to gauge a company's health, providing a useful snapshot of its current financial position.
Trade Receivables Turnover Ratio		The accounts receivable turnover ratio measures the number of times a company's accounts receivable balance is collected in a given period.
Trade Payables Turnover Ratio		Trade Payables Turnover Ratio is used to measure the number of times the business is paying off its creditors or suppliers in an accounting period.
Inventory Turnover Ratio		Inventory turnover is a financial ratio showing how many times a company turned over its inventory relative to its cost of goods sold (COGS) in a given period.
Trade Receivables days		Trade Receivables days is the average number of days required for a company to receive payments from its customers
Inventory days		Inventory days is the average number of days required for a company to convert its inventory into sales
Trade Payable days		Trade Payable days is the average number of days required for a company to pay its suppliers
Return on Equity		Return on equity provides how efficiently the Company generates profits from shareholders' funds
Return on Capital Employed		Return on capital employed provides how efficiently the Company generates earnings from the capital employed in the business
Debt-Equity Ratio		Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Cash Conversion Cycle		Working Capital Cycle is the time it takes to convert net current assets and current liabilities into cash

Net fixed asset turnover ratio	Net fixed asset turnover ratio is indicator of the efficiency with which the company is able to leverage its assets to generate revenue from operations
Current Ratio	The current ratio is a liquidity ratio that measures the company's ability to pay short-term obligations or those due within one year
Working Capital Turnover Ratio	Working Capital Turnover Ratio is an efficiency ratio that measures the efficiency with which a company is using its working capital in order to support the sales and help in the growth of the business.
Total Borrowings	Total Borrowings means the amount of liabilities arising from borrowings from banks and other financial institutions.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated April 16, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time since Incorporation to the date of filing of this Draft Prospectus. Further, the KPIs herein have been certified by statutory auditor.

### Financial KPI of our Company

(₹ in Lacs)

Key Financial Performance	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	75,881.78	63,750.83	29,204.03	23,665.40
Growth in Revenue from Operations <sup>(2)</sup>	-	118.29%	23.40%	-0.07%
EBITDA <sup>(3)</sup>	1,365.76	1,285.32	485.36	359.34
EBITDA Margin (%) <sup>(4)</sup>	1.80%	2.02%	1.66%	1.52%
PAT	556.93	635.23	213.12	151.76
PAT Margin (%) <sup>(5)</sup>	0.73%	1.00%	0.73%	0.64%
Net Worth <sup>(6)</sup>	2,607.89	2,050.96	1,546.16	1,133.05
Return on equity (%) <sup>(7)</sup>	21.36%	30.97%	13.78%	13.39%
Return on capital employed (%) <sup>(8)</sup>	52.16%	62.41%	31.17%	31.46%
Net Asset Value per equity share <sup>(9)</sup>	44.73	35.18	26.52	22.71
Total Borrowings <sup>(10)</sup>	11,785.02	5,929.01	2,449.71	2,624.21
Debt-Equity Ratio (times) <sup>(11)</sup>	4.52	2.89	1.58	2.32
Trade Receivables Turnover Ratio <sup>(12)</sup>	24.74	27.50	15.78	17.86
Inventory Turnover Ratio <sup>(13)</sup>	11.97	35.92	26.99	27.41
Trade Payables Turnover Ratio <sup>(14)</sup>	239.85	79.58	121.27	-
Trade Receivables days <sup>(15)</sup>	15	13	23	20
Inventory days <sup>(16)</sup>	31	10	14	13
Trade Payable days <sup>(17)</sup>	2	5	4	-
Working Capital Cycle (days) <sup>(18)</sup>	44	19	33	34
Net fixed asset turnover ratio (times) <sup>(19)</sup>	456.90	344.51	128.25	114.21
Current Ratio (times) <sup>(20)</sup>	1.12	1.13	1.31	1.26
Working Capital Turnover Ratio <sup>(21)</sup>	51.05	66.54	34.77	36.45

As certified by the Statutory Auditor vide their certificate dated May 02, 2024, bearing UDIN:24180986BKFFWA6308.

### Notes:

(1) Revenue from operation means revenue from sale of the products

(2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.

Note: For the 9 months period ended 31/12/2023, Growth in revenue is not calculated as the Revenue from operation of previous year is for a 12 months period.

(3) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs – Other Income

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

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

(6) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account.

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

(8) Return on Capital Employed is calculated as follows: Profit for the period/ year plus finance cost plus tax expenses (EBIT) divided by (Total Assets minus Total Current Liabilities)

(9) Net Asset Value per share (in ₹) = Restated net worth at the end of the year / Number of Equity Shares outstanding at the end of the period/year

(10) Total Borrowings is calculated as Long-Term Borrowings + Short Term Borrowings.

(11) Debt to Equity ratio is calculated as Total Debt divided by equity.

(12) Trade Receivables Turnover Ratio is calculated as Revenue from operations divided by average trade receivables.

Note: For the 9 months period ended 31/12/2023, actual trade receivable for the 9-month period is considered instead of average trade receivable.

(13) Inventory Turnover Ratio is calculated as cost of goods sold divided by average inventory. Cost of Goods Sold have been defined as cost of materials consumed plus purchases of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress.

Note: For the 9 months period ended 31/12/2023, actual inventory for the 9-month period is considered instead of average inventory.

(14) Trade Payables Turnover Ratio is calculated as cost of goods sold divided by average trade payables. Cost of Goods Sold have been defined as cost of materials consumed plus purchases of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress.

Note: For the 9 months period ended 31/12/2023, actual trade payables for the 9-month period are considered instead of average trade payables.

(15) Trade receivable days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for fiscal years

Note: For the 9 months period ended 31/12/2023, actual trade receivable for the 9-month period is considered instead of average trade receivable.

(16) Inventory days is calculated as average inventory divided by Cost of Goods Sold multiplied by 365 for fiscal years. Cost of Goods Sold have been defined as cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress

Note: For the 9 months period ended 31/12/2023, actual inventory for the 9-month period is considered instead of average inventory.

(17) Trade payable days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for fiscal years. Cost of Goods Sold have been defined as cost of materials consumed plus purchases of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress.

Note: For the 9 months period ended 31/12/2023, actual trade payables for the 9-month period are considered instead of average trade payables.

(18) Working Capital Cycle is defined as trade receivable days plus inventory days less trade payable days

(19) Net fixed asset turnover ratio is calculated by dividing net sales by the average fixed assets

Note: For the 9 months period ended 31/12/2023, actual fixed assets for the 9-month period is considered instead of average fixed assets.

(20) Current Ratio is calculated by dividing Current assets to Current Liabilities

(21) Working Capital Turnover Ratio is calculated as Revenue from operations divided by average working capital. Working capital is calculated as current assets minus current liabilities.

Note: For the 9 months period ended 31/12/2023, actual working capital for the 9-month period is considered instead of average working capital.

#### Comparison of key performance indicators with Peer Group Companies

(₹ in Lacs)

Sr. No	Key Performance Indicators	HP Telecom Limited	Bhatia Communications & Retail limited (India)	Jay Jalaram Technologies Limited
1	Revenue from Operation	63750.83	31,348.18	24,920.48
2	Other Income	96.35	3,126.25	99.54
3	Total Income	63,847.18	34,474.43	25,020.02
4	Current Ratio	1.13	2.16	2.29
5	Debt Equity Ratio	-	0.35	0.84
6	EBDITA	1,285.32	1,480.4	568.40
7	Operating EBDITA Margin (%)	2.02	4.72	2.28
8	PAT	635.23	848.63	250.95

9	Net profit Ratio (%)	1.00	2.46	1.01
10	Return on Equity (%)	0.31	0.17	14.61
11	Return on Capital Employed (%)	0.62	21.29	10.89

**Weighted average cost of acquisition (“WACA”), floor price and cap price**

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

The details of the Equity during the 18 months preceding the date of this draft prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuance”) are as follows:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)*	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
January 22, 2024	2915170	10	-	Bonus Issue	other than cash	NIL

**(b) The price per share of our Company based on secondary sale/ acquisitions of shares (equity / convertible securities**

The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the secondary sale / acquisition of Equity Shares or convertible securities involving Promoter, Promoter Group during the 18 months preceding the date of filing of this Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this prospectus , where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

For further details, please refer section titled “*Risk Factors*” beginning on page 21 of this Draft Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 126 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value is Rs.10.00/- per Equity Share and the Issue Price Rs. [●] has been determined by the Issuer in consultation with the Lead Manager and is justified by the company in consultation with the Lead Manager on the basis of above information.

## STATEMENT OF TAX BENEFITS

To

**HP Telecom India Limited**  
Plot No. 97, 1<sup>st</sup> Floor, Om Square,  
Near Ishwar Farm,  
BRTS Canal Road,  
Bhatar, Althan,  
Surat, Gujarat- 395017

Dear Sir,

**Sub: Statement of Possible Special Tax Benefits available to HP Telecom India Limited and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the “Act”).**

We hereby report that the enclosed annexure, prepared by the management of the company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 read with Income Tax Rules, Circulars, Notifications (‘Act’) as amended by the Finance Act, 2024, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special 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.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. 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. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever-changing tax laws in India.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, 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.

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

- A. the Company or its shareholders will continue to obtain these benefits in future; or
- B. the conditions prescribed for availing the benefits have been/would be met.
- C. The revenue authorities/court will concur with the views expressed herein

The contents of the enclosed annexure 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 and the provisions of the tax laws.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views, consequence to such change. We shall not be liable to Company for 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 conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“Guidance Note”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.



This report including enclosed annexure is intended for your information and for inclusion in the Draft Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

Yours faithfully

**For M/s. Aslot and Associates.**  
**Statutory Auditor**  
**FIRM: 146025W**

**Sd/-**  
**(Ishan Aslot )**  
**Partner**  
**Membership No:180986**  
**UDIN: 24180986BKFFVV9690**  
**Date: 01/05/2024**

## ANNEXURE

### **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

Outlined below are the possible special tax benefits available to Company and its shareholders under Income Tax Act 1961("the Act") presently in force in India.

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE ACT")**

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

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")**

The Shareholders of the Company are not entitled to any special tax benefits under the Act

#### **Note:**

- The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.
- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION IV –ABOUT THE COMPANY

### INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Prospectus, including the information in the sections "Risk Factors" and "Restated Financial Statements" on pages 21 and 126, respectively of the Draft Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 21 of the Draft Prospectus. Accordingly, investment decisions should not be based on such information.

### INDIAN CONSUMER DURABLES INDUSTRY ANALYSIS

The demand for a wide range of consumer durable goods is growing as a result of the ongoing increase in disposable income and technological innovation in India. This in turn is fueling fierce competition among the various consumer durable brands that are available across the country. India is viewed by multinational organizations as one of the primary markets from which future growth is likely to originate.

In FY23 (April-November), electronics exports grew by 13.8%, the highest in the last 6 years. With robust growth, India aims to achieve electronics manufacturing worth US\$ 300 billion in electronics exports of US\$ 120 billion by FY26.

By 2025, India's Consumer Electronics and Appliances Industry is predicted to be the fifth-largest in the world. The Indian Appliances and Consumer Electronics (ACE) market is predicted to nearly double in the next 3 years, reaching approximately US\$ 17.93 billion (Rs. 1.48 lakh crore) by 2025. The Indian appliances and consumer electronics industry stood at US\$ 9.84 billion in 2021 and is expected to more than double to reach Rs. 1.48 lakh crore (US\$ 21.18 billion) by 2025. Electronics hardware production in the country stood at US\$ 87 billion in 2022. India's consumer electronics and home appliances market is set to grow by US\$ 2.3 billion between 2022 and 2027, registering a CAGR of 1.31%.

FDI in the Appliances and Consumer Electronics (ACE) industry has nearly doubled to US\$ 481 million by June 2022, up from US\$ 198 million in 2021. Between April 2000-June 2023, electronic goods attracted FDI inflows of US\$ 4.32 billion.

In the financial year (FY) 2022–23, India's exports of mobile phones doubled from US\$ 5.45 billion (Rs. 45,000 crore) in 2021-22 to a whopping (US\$ 11.12 billion) Rs. 90,000 crore. India is the 2nd largest mobile manufacturer in the world.

In 2022-23 (April-November) the export of white goods are as follows:

- refrigerators, freezers and other refrigerating accounted for US\$ 140.97 million (Rs. 116,223.32 lakh)
- washing machines accounted for US\$ 43.33 million (Rs. 35,819.59 lakh)
- air conditioners accounted for US\$ 177.60 million (Rs. 146,432.20 lakh)
- electric lamps & Lighting fittings including tubes accounted for US\$ 194.97 million (Rs. 160,750.62 lakh)

As of 2021, the refrigerator, washing machines and air conditioner market in India were estimated at around US\$ 3.82 billion, US\$ 8.43 billion, and US\$ 3.84 billion, respectively. The market size of air conditioners is expected to grow to 165 lakh units by 2025 from 65 lakh units in 2019, while the refrigerators market size is expected to grow to 275 lakh units by 2025 from 145 lakh units in 2019.

The White Goods market is estimated to cross US\$ 21 billion by 2025 expanding at a CAGR of 11%. Domestic manufacturing contributes nearly US\$ 4.6 billion on average to this industry.

According to a report from Counterpoint's Make in India service, shipments of "Made-in-India" smartphones increased 16% YoY in the second quarter of 2022 to reach over 44 million units, while over 190 million smartphones made in India were shipped worldwide in 2021. In September 2022, monthly mobile phone exports from India crossed the US\$ 1 billion mark for the first time ever. The smartphone market in India declined 9% YoY to reach shipments over 152 million units in 2022.

The dishwasher market in India is expected to surpass US\$ 90 million by 2025-26, driven by rising demand from metro cities such as Mumbai, Hyderabad, Delhi and Bangalore.

Refrigerator Market in India to increase to US\$ 6.7 billion by FY26 from US\$ 3.8 billion in FY21 at a CAGR of 9.5%.

Air Conditioner Market in India to increase to US\$ 9.8 billion by FY26 from US\$ 3.8 billion in FY21 at a CAGR of 20.8%.

In 2022-23, India produced wearables such as earphones and smartwatches worth US\$ 970.31 million (Rs. 8,000 crore).

The flat panel television (LED, LCD, HD, and UHD) market in India was valued at US\$ 9.05 billion in FY18 and is expected to reach US\$ 16.24 billion by FY24, growing at a CAGR of 9.25%. In 2021, TV shipments grew 24% YoY, with the smart TV market also registering 65% YoY growth.

According to a report by Counterpoint Research, India's smart TV market grew by 74% YoY in the second quarter of 2022. Xiaomi stood as the leader with a 13% market share, followed by Samsung at 12%

The market also grew 28% in YOY in 2022 and the growth was primarily driven by strong shipments during the festive season in the third quarter, multiple new launches, discounts and promotions, and the demand for bigger screen-size TVs in the lower price tier.

According to a report by International Data Corporation (IDC), 4.5 million televisions were shipped to India in the first half of 2023. During the same time, Xiaomi continues to lead the TV market with a 14% share focusing more on its TV lineup, mainly the 5A and Redmi series.

According to a Morgan Stanley report, owing to a thriving economy and demographic shifts driving consumer demand, the markets for smartphones could triple to US\$ 90 billion by 2032.

According to the Department for Promotion of Industry and Internal Trade, between April 2020-March 2021 (FY21), exports of electronic goods from India stood at US\$ 11.1 billion. In May 2022, US\$ 1.34 billion worth of electronic goods were exported.

Telangana's homegrown company Resojet has entered into a memorandum of understanding with TCL for forging a joint venture and includes an investment of Rs. 225 crore (US\$ 27.1 million). The joint venture will set up a consumer electronics manufacturing facility.

Apple is planning to increase its manufacturing production outside of China, with India and Vietnam both likely to benefit from this decision. Apple is currently in discussions with some of its suppliers about expanding production in India, and potentially even producing goods for export. Apple wants to move more than 18% of its iPhone production to India by 2025, up from 7% in 2023.

Electrical appliances maker V-Guard Industries has announced plans to invest in new manufacturing plants. Over the next 12 months, the company will open four additional factories: two in Hyderabad, one in Vapi, and one in Uttarakhand.

Lenovo has announced that it is considerably expanding its local manufacturing capabilities in India across product categories such as PCs, laptops and smartphones, to satisfy rising consumer demand.

TCL Group announced that it would start manufacturing handsets and TV display panels in Andhra Pradesh. The company plans to recruit 1,000 employees. This development was in line with the company's plan to invest US\$ 219 million to manufacture display modules in the country. In March 2023, Tirupati bags huge investments from TCL Group of US\$ 606.44 million (Rs. 5,000 crore) for panel manufacturing.

In June 2023, Goat Brand Labs acquired 80% in Chumbak at a deal value of US\$ 12.12- 14.55 million (Rs. 100-120 crore).

Vivo India has already invested US\$ 291.09 million (Rs. 2,400 crore), and a further US\$ 133.41 million (Rs. 1,100 crore) is expected to be invested by the end of 2023 to increase its manufacturing capacity and support the government's vision of making India a global export hub.

Under government initiatives, 42 companies were selected under the PLI Scheme for White Goods with a committed investment of Rs. 4,614 crore (US\$ 580.6 million), expected to create additional direct employment for 44,000 people. In the 2nd round, 19 companies filed applications for the PLI Scheme for White Goods, with committed investments of Rs. 1,548 crore (US\$ 194.79 million).

Flipkart signed an MoU with the Ministry of Rural Development of the Government of India (MoRD), for their ambitious Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) programme, to empower local businesses and self-help groups (SHGs) by bringing them into the e-commerce fold.

In July 2021, the government approved 14 companies under the production linked incentive (PLI) scheme for IT hardware. Over the next four years, these companies are expected to fuel total production of >US\$ 21.64 billion. The government has also extended the production-linked incentive (PLI) scheme for large scale electronics manufacturing by a year (until FY26), giving a boost to the industry.

The National Policy on Electronics 2019 is targeting production of one billion mobile handsets valued at US\$ 190 billion by 2025, out of which 600 million handsets valued at US\$ 100 billion are likely to be exported.

The Indian appliance and consumer electronics (ACE) market is expected to increase at 9% CAGR to reach Rs. 3.15 trillion (US\$ 48.37 billion) in 2022. The government anticipates that the Indian electronics manufacturing sector will reach US\$ 300 billion (Rs. 22.5 lakh crore) by 2024–25.

References: Media Reports, Press Releases, Press Information Bureau (PIB), Boston Consulting Group, International Data Corporation

## **GROWING DEMAND**

India's smart TV market grew by 74% YoY in the second quarter of 2022, with Xiaomi being the leader with a 13% market share, followed by Samsung at 12%.

The dishwasher market in India is expected to surpass US\$ 90 million by 2025-26, driven by rising demand from metro cities such as Mumbai, Hyderabad, Delhi and Bangalore.

## **OPPORTUNITIES**

Tech players are focusing on tapping the Indian consumer electronics market by developing an electronic component manufacturing base in India and encouraging exports.

Consumer electronic brands are focusing on expansion in the Indian smart wearables market.

India aims to achieve electronics manufacturing worth US\$ 300 billion in electronics exports of US\$ 120 billion by FY26.

## **POLICY SUPPORT**

100% FDI allowed in the electronics hardware-manufacturing.

In March 2022, the government approved 14 companies under the production-linked incentive (PLI) scheme for IT hardware. Over the next four years, these companies are expected to fuel total production of Rs. 1,60,000 crore (US\$ 19.23 billion).

In March 2023, Samsung invested in setting up smart manufacturing capabilities at its mobile phone plant in Noida.

### **INCREASING INVESTMENTS**

In FY23, Godrej Appliances announced plans to invest US\$ 25.11 million in the capacity expansion of its premium range.

Between April 2000-September 2023, electronic goods attracted FDI inflows of US\$ 4.42 billion.

FDI in the Appliances and Consumer Electronics (ACE) industry has nearly doubled to US\$ 481 million by June 2022, up from US\$ 198 million in 2021.

(Source: <https://www.ibef.org/industry/consumer-durables-presentation>)

### **INDIA'S ELECTRONICS MANUFACTURING AND EXPORT MARKET**

#### **The Electronics Sector in India**

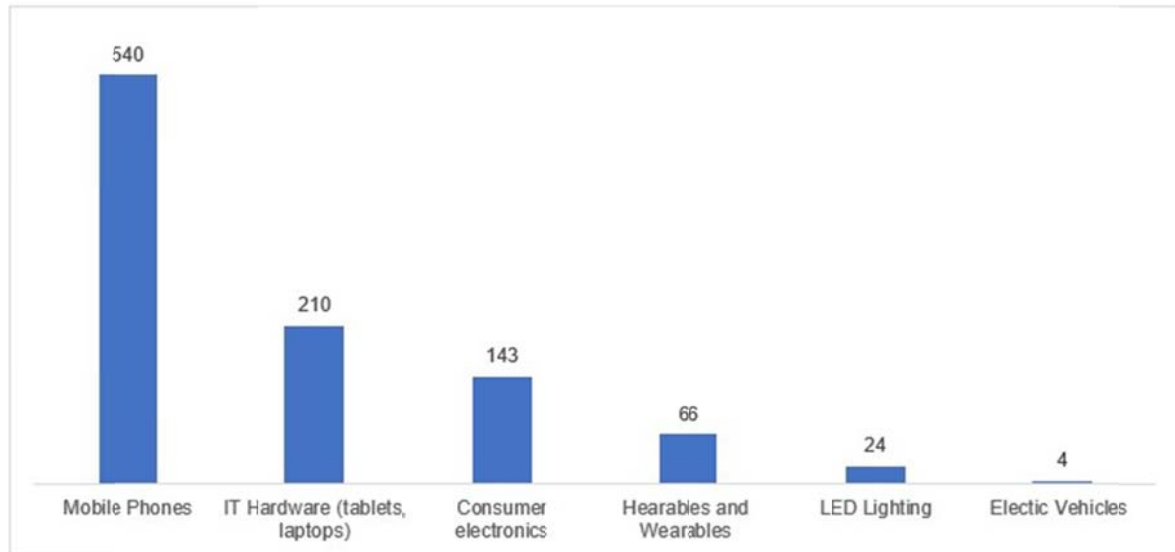


The Indian electronics industry is one of the most rapidly growing industries worldwide. Electronic products have continuously impacted and shaped our lifestyles in the current digital era. The advent of technology has led to seamless activities and accelerated the digital revolution to the next level. Furthermore, demand for electronic devices is anticipated to rise steadily and continue to be a key economic driver worldwide.

#### **Global market share of key product segments in 2020-21 (US\$ billion)**

The global electronics industry was estimated at US\$ 2.9 trillion in 2020. The Indian government has widely recognised the strategic importance and growth potential of this industry in its National Policy for Electronics (NPE) 2019. NPE was unveiled with a vision to make the country a comprehensive hub for Electronics System Design and Manufacturing (ESDM) by developing a supportive environment for the industry to compete with global peers. Moreover, the ESDM industry is one of the top 25 priority sectors in the government's Make in India initiative; therefore, it is a crucial contributor to economic growth. Indian policymakers have put great emphasis on developing sustainable manufacturing and exports of electronic devices. Overall, electronics manufacturing saw exponential growth to reach US\$ 67.3 billion in 2020-21 from US\$ 37.1 billion in 2015-16. However, the COVID-19 pandemic caused serious disruptions across the globe, but the industry has shown strong signs of recovery.

According to the 'A call to action for broadening and deepening electronics manufacturing' report by the Ministry of Electronics and IT, India aims to achieve electronics manufacturing worth US\$ 300 billion by 2026. Furthermore, the report highlights various segments established to add substantially to this objective, including contributions from India's electronic goods exports. The report demonstrates an execution strategy by proposing short and long-term actions required to achieve the desired goal.



India has been one of the pioneers of the Local Goes Global movement. The country is focusing on developing its share in the global value chain, establishing export hubs in different states, constructing a high-quality and seamless supply chain, and increasing its overall market share in the electronics export market.

### **Importance of India in Global Electronics Market**

The Indian economy accounts for nearly 3.2% of the global economy, and its population is almost 3.2% of the total global population. The Government of India aspires to make the country a substantial manufacturing and design hub for electronics as part of its Aatmanirbhar Bharat scheme. The Digital India Programme has led to a paradigm transition towards digitisation and e-governance in India. India's market share in the global electronics manufacturing industry increased to 3.6% in 2020 from 1.3% in 2012. The Production Linked Incentive (PLI) scheme has effectively enticed international champions while giving an impetus to domestic manufacturers and creating national champions with global ambitions. India's electronic manufacturing industry has witnessed a sharp transition in the last few years with various initiatives to market electronics manufacturing. The government's lucrative plans and initiatives have led the electronic manufacturing industry to a high growth trajectory. Additionally, the availability of skilled labour, large domestic market and low-cost labour have contributed to its sharp rise.

Technology has been a crucial driver across industries, influencing all spheres of life. The electronics market share in India is on the rise. In the past few years, India has captured a sizeable market share of the electronics manufacturing ecosystem that drives the technology sector. For the country to be the global electronics production unit of the future and become a US\$ 5 trillion economy by 2025-26, it shall aim to be a US\$ 1 trillion digital economy. Furthermore, special focus will be given to exports in order to accomplish the objectives.

### **India's Long-term Vision**

- Make in India for the world
- Make India the number one exporter and manufacturer of electronics
- Become a substantial player in the global value chain
- Build a comprehensive ecosystem of more than US\$ 1 trillion in the next decade for mobile phones, consumer electronics and IT hardware

### **India's Short-term Vision**

The government aims to make electronics one of the top three export categories by 2025-26. A US\$ 1 trillion digital economy target is projected to boost demand for electronics, which may stand at around US\$ 180 billion by 2025-26. If India can accomplish the manufacturing goal of US\$ 300 billion for electronics, the local market requirement may be fully met by such manufacturing. The US\$ 300 billion target also requires US\$ 120 billion of exports in the global market. Global competitiveness with optimum scale would be pivotal in achieving the

aforsaid targets. Adequate fiscal measures, along with policy measures, would help in meeting the objectives of NPE 2019.

## **Categories of Electronic Manufacturing**

### **Smartphone Manufacturing**

India is one of the largest mobile handset manufacturing countries globally and the second-largest smartphone market in the world. Manufacturing of mobile phones rose to 290 million units in 2020-21 from 60 million units in 2014-15; thus, making the domestic manufacturing of cellular phones and its sub-assemblies one of the core sectors under the Make in India initiative. The Ministry of Electronics and Information Technology (MeitY) unveiled the Phased Manufacturing Programme (PMP) for cellular handsets and other sub-assemblies with an aim to scale up domestic value addition.

### **Information and Communication Technology (ICT) Hardware**

The first use of electronics was in the communication and computing domain. With the rise of integrated circuits, the world witnessed the evolution of the digital computing era. With the introduction of microprocessors, the world saw significant growth in the ICT industry. The advent of ICT has been such that many countries have declared it an indispensable commodity. With a pool of skilled technicians and massive manpower, India has proven its design capabilities for numerous global hardware companies. Additionally, the country is ready to be a worldwide leader and an end-to-end player in the ICT hardware design and development space. India has considerable opportunity for export-led manufacturing and import substitution in the ICT hardware domain.

Moreover, ICT hardware will add high value to India's electronics manufacturing. Emerging domains of artificial intelligence, machine learning and the internet of things, among others, are becoming more popular and are responsible for driving the growth of the ICT hardware segment. Such domains require developing and designing specialised sensors, servers and semiconductors. Large-scale data centres have also evolved in recent years.

In 2020, India witnessed a surge in ICT hardware demand due to COVID-19-led disruptions. Due to the remote working trend, households and individual customers purchased tablets and computers. Enterprises have heavily spent on their data centre infrastructure (to ensure steady demand amid work-from-home and online dealings), and telecommunication service providers have been modernising their infrastructure to cater to surging broadband demand.

### **Consumer Electronics**

Consumer electronics covers any device that contains an electric circuit board that is handy in everyday use by people for the purpose of recreation, entertainment and communication. This encompasses a large category of electronic products, including cameras, digital cameras,visions, calculators, audio devices, clocks, headphones and various home products. Prominent drivers for this market's expansion are easier access, rising awareness, changing lifestyles, dropping unit price and increasing disposable income. Television is a useful device in the home consumer electronics segment and has been recognised as one product for which the country can become the global manufacturing hub. According to the Federation of Indian Chambers of Commerce & Industry (FICCI), India's television production was US\$ 4.24 billion in 2020-21 and is anticipated to reach US\$ 10.22 billion by 2025-26, expanding at a Compounded Annual Growth Rate (CAGR) of 20%. The kind of television sets available in the market includes a wide variety of LCDs, plasma, LEDs and so on, offering high resolution and sharp picture quality. Additionally, a decreasing trend in the pricing of LED and LCD televisions is fuelling the penetration of such televisions in the market. A few initiatives taken by the government include increasing the basic customs duty on multiple consumer electronics goods in order to push companies into replacing imported goods. Furthermore, the government has permitted 100% Foreign Direct Investment (FDI) in the consumer electronics manufacturing segment through the direct route and offered capital expenditure subsidy under the Modified Special Incentive Package Scheme (M-SIPS). Such efforts have attracted foreign companies to establish manufacturing facilities in the consumer electronics domain without establishing a joint venture or other forms of partnerships with domestic entities. A domestic partner is practically and legally needed to distribute consumer electronic goods to end users.

### **Electronic Components**



According to statistics presented by the Global Industry Analyst Inc., the worldwide market for electronic components is estimated to reach US\$ 191.8 billion by 2022, of which Asia Pacific is expected to capture a significant share. In line with global trends, India's electronic components market is ready to grow considerably. Consumer electronics, mobile phones and industrial electronics contribute 82% to demand for electronic components in India. This is observed by the need for electronic components in strategic electronics, computer hardware and light industry sectors. Industries such as mobile phones, strategic electronics and industrial electronics are likely to see significant growth in the near future.

### **The Future of the Electronics Industry in India**

The importance of the electronic industry in India is significant. Global demand for electronic components is currently met by manufacturers based out of India. Considering India's skill set, expertise, demographic dividend and favourable government policies, these manufacturers are encouraged to establish component ecosystems in India. This will help the country in showcasing its technical prowess and setting an example to attract other foreign investors. India's FDI norms have been investor-friendly and will open doors to multiple global manufacturing companies. Additionally, India has been focusing on increasing its research and development capabilities while developing digital and technical proficiency among the people.

Electronics manufacturing needs large-scale operations to be competitive globally. Moreover, different processes in electronics manufacturing are labour intensive and, therefore, would require adequate labour in developing the requirement for plug-and-play facilities like dormitories with optimum facilities. For reducing turnaround time and ensuring rapid operationalisation of electronics manufacturing units, it is essential for the government to construct dormitories on the lines of plug-and-play simulation. Such challenges bring in opportunities for countries like India and will help set the right foundation for its US\$ 5 trillion economy goal. India has the potential to be among the top electronics exports by country, and the government is dedicated to making India a global hub for exports.

(Source: <https://www.ibef.org/research/case-study/india-s-electronics-manufacturing-and-export-market>)

### **India is set to become the largest wearable market in 2023: Report**

According to a report by International Data Corporation (IDC) India, India will become one of the largest markets for wearables in 2023. India will account for 130-135 million units out of 504.1 million units that will be shipped by the end of 2023. It will account for 26% of the total units shipped around the world.

Out of a total of 492 million units sold last year, India shipped 100 million, placing it third behind China and North America.

According to a survey released by Counterpoint Research, the Indian wearables market grew by 121% year-on-year (Y-o-Y) in the first quarter of 2023. Low-cost wearables from companies like Fire-Boltt, Noise, and boAt were the major contributors to this. Counterpoint concurred with IDC India's analysis but predicted that India would account for 27% of all units rather than 26%.

Both research firms agreed that the increase was spurred on by the number of smartphone users who also owned a smartwatch, compared to other regions in the world.

According to IDC, India's market size has now surpassed that of China and the US and will keep expanding while Counterpoint stated in the report that a smartwatch was also sold in India for every smartphone.

(Source: <https://www.ibef.org/news/india-is-set-to-become-the-largest-wearable-market-in-2023-report>)

### **Apple plans a fivefold increase in India's production capacity by 2028**

Apple currently manufactures iPhones in India and intends to commence production of Air Pods in the coming year. In FY23, the tech giant achieved production worth more than US\$ 7 billion in the country. The company plans to reach a production capacity of US\$ 40 billion by 2028. Apple launched its India-manufactured iPhone 15 this month. India is actively pursuing the expansion of its electronics industry, with aspirations to reach US\$ 300 billion by 2026. Apple Inc. has outlined ambitious plans to increase its production in India by over fivefold within the next five years, according to media reports.

In FY23, the tech giant achieved production worth more than US\$ 7 billion in the country, to reach US\$ 40 billion by 2028, as per the reports.

Apple currently manufactures iPhones in India and intends to commence production of AirPods in the coming year. Notably, the Cupertino-based company marked a significant milestone by launching its India-manufactured iPhone 15 this month, coinciding with its global release.

In parallel, India is actively pursuing the expansion of its electronics industry, with aspirations to reach US\$ 300 billion by 2026. This growth is expected to be driven by increased smartphone production and a global effort to diversify supply chains away from China.

(Source: <https://indbiz.gov.in/apple-plans-a-fivefold-increase-in-indias-production-capacity-by-2028>)

### **Apple makes record revenue in India during July-September 2023**

- iPhone revenue surpassed the company's expectations, setting an "all-time record" in India while also achieving quarterly records in various other markets
- iPhone sales contributed a substantial US\$ 43.8 billion to the company's earnings
- This quarter also marked the best period for Apple's shipments in the country, surpassing 2.5 million units
- Apple also recorded its highest-ever quarterly shipments during this period, resulting in a 34% year-on-year growth and a high-growth phase in India
- Apple boasts an installed base of over 2 billion active devices, which continues to grow steadily
- Apple's CEO, Tim Cook, recently announced that the tech giant achieved a new milestone by setting a quarterly revenue record in India during the July-September period of this year, marked by robust double-digit year-on-year growth.
- Despite reporting total revenue of US\$ 89.5 billion for the quarter ending in September, representing a slight drop of less than 1% compared to the previous year, iPhone sales contributed a substantial US\$ 43.8 billion to the company's earnings.
- Cook highlighted that iPhone revenue surpassed the company's expectations, setting an "all-time record" in India while achieving quarterly records in various other markets.
- Cook expressed his enthusiasm for the Indian market, stating that Apple has a low share in a large market. And so there is a lot of headroom during the post-earnings investor call held last week.
- Strong iPhone sales primarily drove the remarkable quarterly revenue achievement in India during the July to September period. Counterpoint Research reported that Apple recorded its highest-ever quarterly shipments during this period, resulting in a 34% year-on-year growth and a high-growth phase in India. This quarter also marked the best period for Apple's shipments in the country, surpassing 2.5 million units.
- Cook noted that while the average selling prices (ASPs) in India are lower compared to other regions, this aspect does not concern Apple. Company representatives mentioned that offering more affordable solutions to customers through instalment plans, trade-in options, and low-cost financing has been instrumental in maintaining the company's margins.
- While Apple reported declines in revenue across all product categories except for the iPhone, which experienced a 3% year-on-year growth, the services segment showed remarkable growth with a 16% year-on-year increase in revenues. This growth was driven by over a billion paid customers for Apple's services, including cloud storage, music streaming, movies and shows, and fitness coaching.
- The representatives emphasised that Apple boasts an installed base of over 2 billion active devices, which continues to grow steadily, providing a solid foundation for expanding the company's ecosystem.

(Source: <https://indbiz.gov.in/apple-makes-record-revenue-in-india-during-july-september-2023>)

## BUSINESS OVERVIEW

**The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled “Risk Factors” on page 21 of this Draft Prospectus.**

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Restated Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no. 21, 126 and 157 respectively, of this Draft Prospectus

**In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us”, “Our” and “HP Telecom” are to M/s. HP Telecom India Limited. Unless stated otherwise, the financial data in this section is as per our Restated Financial Statements prepared in accordance with Indian Accounting Policies set forth in the Draft Prospectus.**

### Overview

#### Company Background

HP Telecom India Limited, originally incorporated as HP Telecom India Private Limited on March 26, 2011, initially focused solely on distributing mobile phones, accessories, and related products. Under the mentorship of its promoters, Mr. Vijay Yadav, Mrs. Seema Yadav, and Bharatlal Lalsingh Singh the company secured exclusive distribution rights for brands such as Sony LED TVs and Mobiles and other mobile brands, for the different Regions of Gujarat during the fiscal year 2014-15. Additionally, in the same financial year, the company expanded its product portfolio to include LCD/LED home theatres, indoor/outdoor air conditioners, and other home appliances. Over subsequent years, the promoters continuously diversified into new product lines in Mobile like Nokia, Micro Max, Intex, Gionee, Karbonn Mobiles to broaden their offerings and geographical reach. In the fiscal year 2015-16, the company further expanded its distribution portfolio by obtaining exclusive rights for Jio products in the West Region Trade Partner for Gujarat.

Our Company has been a stalwart in the technology distribution sector, with a proven track record of success and a commitment to customer satisfaction. With a robust network of partners and a deep understanding of the Indian market, we have consistently exceeded expectations by bringing premium products and services to consumers nationwide.

In 2016, Apple made a strategic move to establish its presence in India, recognizing the immense potential of the market. Sensing the opportunity, our company secured the distribution rights for the Vapi Region, aligning with Apple's vision to expand its reach and provide cutting-edge technology solutions to customers. This distribution ship underscores our commitment to delivering superior products and services, ensuring that customers in the Vapi Region have access to the latest innovations from one of the world's most renowned technology brands. By joining forces with Apple Inc., we aim to elevate the standard of technological offerings in our region and meet the evolving needs of our clientele.

In the fiscal year 2020-21, amidst the onset of the COVID-19 pandemic, HPTIL swiftly capitalized on a burgeoning market demand for surgical masks. Recognizing the urgent need for protective equipment, the company strategically ventured into the manufacturing and distribution of N95 surgical masks. This strategic pivot allowed HPTIL to not only meet the critical demand for essential medical supplies but also positioned the company as a key player in the healthcare industry during a global crisis. By leveraging its manufacturing capabilities and adapting to market demands, HPTIL demonstrated agility and responsiveness, ultimately contributing to the collective efforts in combating the pandemic while simultaneously driving business growth. However, as on date company is not dealing in Surgical mask.

Currently, our company operates as the exclusive distributor of Apple products across significant territories, including Madhya Pradesh & Chhattisgarh, select cities in Uttar Pradesh, and major urban centers in Gujarat. We proudly offer Apple's iconic range of devices, comprising the iPhone, iPad, Mac, Apple Watch, and more, catering to the discerning tech-savvy consumers in these regions.

While Apple products remain the cornerstone of our distribution portfolio, we also engage in the distribution of select other brands to diversify our offerings and cater to a broader customer base. Recently, we have acquired

the distribution rights for 'Nothing' in the state of Gujarat, further enhancing our product lineup with innovative offerings.

Despite this diversification, Apple products continue to drive a significant portion of our revenue, contributing over 80% to our overall earnings. The remaining revenue is generated through the sale of other brands, including JIO Recharge, JIO Phones, INFINIX Mobiles, etc. This balanced approach allows us to maintain a strong foothold in the market while capitalizing on emerging opportunities in the rapidly evolving technology landscape.

In a nutshell, our Company's journey is a testament to strategic vision, adaptability, and unwavering commitment to excellence in the dynamic landscape of mobile distribution.

#### **Current Territories for the Distribution of Apple Products are as Under:**

- **In the State of Gujarat:** Rajkot, Gandhidham, Kutch, Bhuj, Ahmedabad, Mehsana, Himmatnagar, Unjha, Patan, Palanpur, Vadodara, Bharuch, Ankleshwar, Godhara, Dhahod, Anand, Nadiyad, Panchmahal,
- **Complete State of Madhya Pradesh**
- **Complete State of Chhattisgarh**
- **In the state of Uttar Pradesh:** Bijnor, Gautam Bhudha Nagar (Noida & Great Noida), Ghaziabad, Meerut, Muzaffanagar, Bagpat, Bulandshahar, Hapur, Agra, Aligarh, Firozabad, Hathras and Mathura.

#### **Our Product Range**

HP Telecom, as the authorized distributor of Apple Inc in Madhya Pradesh, Chhattisgarh, Uttar Pradesh and Gujarat, plays a pivotal role in bridging the gap between Apple products and consumers in these regions. The business operates within a dynamic market characterized by a growing demand for premium technology products.

Our extensive range of product offerings is designed to cater to diverse consumer needs and preferences, encompassing four major categories:

##### **1. Smart Phones:**

As the distributor of Apple Inc products, HP Telecom, offers a range of iPhones catering to different budgets and preferences. Along with the iPhones in HP Telecom we also cater market for Smart Phones of “Nothing” in state of Gujarat. Amongst all other products, because of the increase in the popularity of the smart phones, it is the bestselling products of our Company as smartphones come in various price segments, offering features such as high-resolution cameras, powerful processors, and innovative designs.

##### **2. Smart Watches:**

Embracing the era of wearable technology, our product lineup includes a diverse range of smartwatches. As an authorized distributor of Apple products, HP Telecom offers the Apple Watch series. These smartwatches come in various models, designs, seamlessly blend style and functionality, offering users a sophisticated way to stay connected, track fitness, and enhance their overall lifestyle.

##### **3. Tablets /iPads:**

Catering to different user needs, we offer range of Tablets /iPads to our users. This ensures that consumers have access to a variety of options to suit their specific requirements, whether they prioritize performance, affordability, or brand preference. Apple iPads are known for their sleek design, powerful performance, and integration with the Apple ecosystem.

##### **4. Other Accessories:**

Complementing our mobile devices, smart watches, and tablets, we provide an extensive array of accessories that cater to the varied needs of our customers. Our accessory offerings include Screen Guards, Memory Cards, Ear Pods, Mobile Chargers, Mobile Covers, Collar Neck Bands, Bluetooth Earplugs, Car Chargers, Speakers, Power Banks, and more. These accessories are sourced from reputable brands like Apple, Samsung etc, ensuring quality, durability, and compatibility with a wide range of devices.

Our commitment to offering a comprehensive range of accessories aims to enhance the user experience and provide solutions for personalization, protection, and convenience.

The proportion of revenue from sale of Apple Inc. products in total revenue from operations, of the Company, were as follows:

(Rs. in Lakhs)

Particulars	As at December 31, 2023	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021
Revenue from operations	75881.78	63750.83	29204.04	23665.40
Revenue from sale of Apple Products	62609.03	57381.96	23069.62	21998.71
% of Revenue from sale of Apple Products in Revenue from operations	83%	90%	79%	93%

The state-wise bifurcation of revenue from operations, of the Company, were as follows: (Rs. in Lakhs)

Particulars	As at December 31, 2023	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021
Revenue from Gujarat	50356.80	41255.76	21500.03	23330.08
Revenue from Madhya Pradesh	18129.22	15544.77	2702.62	243.18
Revenue from Chhattisgarh	7395.76	6950.30	4524.45	0.00
Revenue from Karnataka	0.00	0.00	58.42	54.72
Revenue from Maharashtra	0.00	0.00	418.52	37.42
Total Revenue from Operations	75881.78	63750.83	29204.04	23665.40

#### Awards and Achievements:

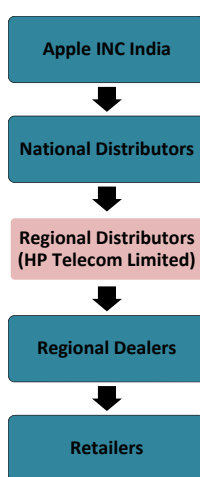


The % of top 10 Buyers and Suppliers of Our Company are as under: (in ₹ Laacs)

Particulars	Purchase / Sales							
	December 31, 2023	%	2022-23	%	2021-22	%	2020-21	%
Top 10 Buyers	25,446.64	33.54	19,024.84	29.84	11,214.95	38.40	10,807.75	45.67
Top 10 suppliers	76063.57	95.68	56,108.36	88.90	27,059.78	94.34	22,328.08	96.83

#### BUSINESS MODEL:

Apple Inc, a global technology company renowned for its innovative products and services, relies on a robust distribution network to reach consumers worldwide. Distributors play a pivotal role in this network, serving as intermediaries between Apple and retailers, ensuring efficient supply chain management, and enhancing market penetration. Our more than 80% of the Revenue derives from the Apple products only, hence, the business model of our Company to understand its key components and operations with the Apple INC. in India are as under:



The detailed process of the above carried by our Company can be defined in the following manner:

- **Product Procurement in India:** Apple Inc. distributes its products to the national distributors chosen by the Apple Inc. for the Indian Market distribution with the policies set by them. And National Distributors supplies the products to the Regional Distributions as per the terms and conditions decided by the company itself.
- **Sourcing from National Distributors:** Our Company strategically sources all its products directly from national distributors, aligning with the policies set by these suppliers. This sourcing strategy ensures a direct and efficient procurement process, allowing the Company to maintain strong relationships with reputable suppliers. The quantity of products ordered is based on a thorough analysis of market demand and the company's sales forecasts.
- **Order Placement and Warehousing:** Upon determining the required quantity based on market demand, the Company places orders with the respective national distributors. Once the ordered consignments are received, they are meticulously stored in the Company's dedicated warehouses. These warehouses serve as central hubs for product distribution, enabling streamlined logistics and efficient order fulfilment.
- **Distribution Network and Timely Deliveries:** Our Company has invested significantly in establishing a robust distribution network across key states. This network is designed to ensure the timely delivery of products to dealers and retailers. By strategically locating distribution centres, the Company optimizes its supply chain, minimizing delivery times and ensuring a consistent flow of products to meet market demands. The distribution process is managed from the head office, facilitating coordination and control over all outgoing shipments.

- **Dealer Recruitment through Marketing Campaigns:** Leveraging a combination of digital and offline marketing campaigns, our Company actively attracts potential dealers within specific geographies. These marketing efforts are aimed at creating awareness of the Company's product offerings and value propositions. By employing targeted marketing strategies, the Company ensures a steady influx of dealers interested in establishing partnerships.
- **Robust Inventory Management:** The Company's commitment to technological advancement is evident in its implementation of a robust inventory management platform. This platform facilitates real-time tracking of stock levels, optimizing inventory turnover, and minimizing stockouts or overstock situations. The seamless integration of the inventory management system with the distribution network ensures that products are consistently available for timely delivery, enhancing customer satisfaction and maintaining a competitive edge.
- **Return and Handling Process:** To maintain operational efficiency, our Company has established a structured process for handling returned goods. Any returned items are sent back to the respective warehouse, where they undergo a thorough assessment based on Company protocols. This ensures that returned products are properly managed, whether they are reintegrated into the inventory or dealt with according to established procedures.
- **Continuous Monitoring and Adaptation:** The entire process is subject to continuous monitoring and evaluation. Regular assessments of market trends, sales performance, and customer feedback enable the company to adapt its strategies accordingly. This agile approach ensures that the Company remains responsive to changing market dynamics and is positioned to capitalize on emerging opportunities.

## **OUR COMPETITIVE STRENGTH**

### **Exclusive Distribution Rights**

Our Company being the exclusive rights of distributor to distribute Apple products in a Chhattisgarh, Madhya Pradesh, some cities in Uttar Pradesh and major cities in Gujarat, it provides a significant competitive advantage by limiting access to competitors and establishing a strong market presence. The exclusive distribution rights give our Company significant control over the distribution and marketing of our products within the designated territory. This allows the us to tailor our strategies to suit local market conditions and consumer preferences. This can also lead to increased market share, higher sales, and greater profitability.

### **Strong Brand Reputation**

A strong brand reputation is a valuable asset that embodies trust, credibility, and loyalty among consumers. The Apple products are globally recognized for their quality, innovation, and user experience. As our more than 80% of the revenue comes from the distribution of Apple products in the designated territories. Being associated with the Apple brand enhances the distributor's credibility and attracts customers seeking premium technology products. A brand with a strong reputation commands respect and admiration in the marketplace, leading to increased customer loyalty, positive word-of-mouth referrals, and competitive advantage. A robust brand reputation not only attracts new customers but also fosters enduring relationships with existing ones, driving sustained growth and profitability for the business. Hence, we are enjoying the reputation of our product brand.

### **Experienced and Visionary Leadership**

Our success is anchored in the expertise and vision of our distinguished leader Mr. Vijay Yadav. With a rich legacy of 21 years in the distribution business of smartphones and accessories his leadership has been transformative. His visionary approach not only shapes the strategic direction of the Company but also fosters a culture of innovation and adaptability. The collective experience of our management team empowers us to make informed decisions, engage in strategic planning, and navigate the complexities of the ever-evolving industry. Beyond steering operational and financial success, our leadership is committed to cultivating a motivated and skilled workforce, laying the foundation for a sustainable competitive advantage.

### **Robust network and relationships with suppliers**

Our Promoter and Managing Director, Vijay Yadav have a strong relationship with suppliers which is foundational pillars for the seamless operation and success of any business. By fostering strong connections with suppliers, a company can ensure a consistent and reliable supply of raw materials, components, and

services essential for its operations. These relationships enable efficient communication, collaboration, and problem-solving, facilitating timely delivery, quality assurance, and cost optimization. Moreover, a well-established network of suppliers provides flexibility and agility to adapt to changing market demands, mitigate risks, and capitalize on emerging opportunities. Through mutual trust, transparency, and mutual benefit, businesses can cultivate enduring partnerships with suppliers, driving mutual growth, innovation, and competitive advantage in the marketplace.

### **Financial Stability and Resources**

Catering the distribution of the one of leading brand of the world “Apple”, the Company must fulfil the financial stability criteria of the supplier company. Strong financial resources, liquidity, and investment capabilities provide the distributor with the flexibility to pursue growth opportunities, expand operations, and withstand market challenges. Moreover, financial stability instils confidence among stakeholders, including investors, creditors, and employees, fostering trust and credibility in the business. By prudently managing resources, optimizing cash flow, and maintaining healthy financial ratios, organizations can position themselves for long-term success, profitability, and value creation.

## **OUR STRATEGY**

### **Market Penetration Strategies**

Our Company is in continuous efforts of increasing market share of existing products or services within designated territories. We are also in intensifying efforts to capture a larger portion of the target market through aggressive marketing tactics, sales promotions, and distribution channels. We are also making efforts to add more states in our designated territories. The long-term strategic vision of our Company is to transitioning from a major regional distributor for Apple to becoming the Direct Partner of the Apple for India. This ambitious move is not merely a progression, but a pivotal step poised to unlock substantial growth opportunities. As an Apple Direct partner, the Company anticipates an enhanced value proposition, exclusive benefits, and a more direct and streamlined relationship with Apple. This strategic shift positions the Company for accelerated growth and increased influence within the market, solidifying its status as a key player in the distribution ecosystem.

### **Optimizing Business Operations**

The strategy of continuous optimization of a business's working capital cycle involves managing the company's liquidity, inventory, and receivables to maximize efficiency and profitability. By reducing the cash conversion cycle comprising the time it takes to convert inventory into cash through sales and receivables the business can free up cash for operational needs, investment opportunities, and debt reduction. This strategy emphasizes streamlining processes, negotiating favorable payment terms with suppliers, and accelerating cash collections from customers to minimize the amount of capital tied up in working capital components.

### **Sole Distributorship and Market Leadership**

In the states where we operate, particularly Madhya Pradesh and Chhattisgarh, our exclusive role as the sole distributor for Apple has been a significant driver of our success. This exclusivity has allowed us to consolidate our market share, creating a robust foundation for sustained growth. Furthermore, our coverage of major cities in Gujarat and Uttar Pradesh, positions us as a key player in one of the country's most economically significant regions. Our strategic focus on market leadership in these states has not only solidified our relationship with Apple but also bolstered our overall market presence.

### **Continuous Research on Growing Brands:**

Vision of our Promoter and Managing Director, Mr. Vijay Yadav was to market the growing brand for the growth of Organisation. From 2016, the Company has strategically identified and prioritized high-growth brands such as Apple and in FY 2022-23 the Company identify new growing brand as its new segment named “Nothing”. This focused approach has allowed the company to carve out a niche and strengthen its relationships with major multinational brands. By consistently delivering best-in-class margins and fostering strong visibility of growth, the Company solidifies its position as a preferred distributor for these brands. This strategic focus ensures sustained market relevance, profitability, and a heightened ability to capitalize on the increasing demand for innovative products.



**Location****Registered Office:**

Plot No. 97, 1st Floor, Om Square, Opp. Ishwar Farm Junction, BRTS Canal Road, Bhatar, Althan, Surat, Surat City, Gujarat, India, 395017.

**Residential Property:**

H-28, Sector – 70, Noida, G.B. Nagar, U.P.  
114, 1<sup>st</sup> Main, 3<sup>rd</sup> Cross, ISRO Layout, Bangalore – 560 078  
368, Gautam Nagar, Nr. Chetak Bridge, Bhopal, Madhya Pradesh

**Warehouse:**

1. H-N-630 D3/B, Chinchavali Village, Global Complex, Shangrilla Resort, Bhiwandi, Thane – 421302, Maharashtra.
2. A-14 & 15, Sector-59, Noida, Uttar Pradesh – 201309

**Commercial Offices:**

- 1) 117, 1<sup>st</sup> Floor, Saffron Complex, Nr. Bull Circle, Fatehgunj, Vadodara – 390002
- 2) Shop No. H-25, Sajni Complex, Opp. Surya Complex, City Light Road, Surat, Gujarat – 395007
- 3) Plot No. A-14/15, Sector – 59, Noida – 201301, India (Co-working space for Office)
- 4) Plot No. 25, Vibrant Business Part, Vapi GIDC Phase -1, Village: Vapi and Namdha, Taluka: Vapi, Valsad – 396191
- 5) Shop No. H-25, Sajni Complex, Opp. Surya Complex, City Light Road, Surat, Gujarat – 395007
- 6) Office No. 703, 7th Floor, Videocon Arizona, Opp. Gujarat Vidhyapith, Ashram Road, Ahmedabad – 380009
- 7) Ground Floor, Behind Gupta Provision, Near Vishal Marg Mart, Pandri, Raipur -492004, India.
- 8) 103, 1<sup>st</sup> Floor, Princes Business Sky Park Scheme no. 54 PU 3 AB Road, Vijay Nagar, Indore.

**Plant, Machinery, Technology, process Etc.**

The Company is in Distribution Segment hence, we do not own any Plant and Machinery in our Organisation. For transportation of our products, we use rented transportation which are easily available in the local market. Other than Local Transportation, Company owns one Van for the purpose of easy of business.

**Collaborations, any Performance guarantee or assistance in marketing by the Collaborators**

Our Company has not entered into any collaboration, or Performance guarantee or assistance for marketing with any Company.

**INFRASTRUCTURE FACILITIES FOR RAW MATERIALS AND UTILITIES LIKE WATER, ELECTRICITY ETC.****Raw Material**

As Company is into the distribution channel, the raw material (products) for the Company is the directly sourced from the National Distributors / Particular brand Company only.

**Human Resources**

Human resources are indeed invaluable assets to any industry, pivotal in driving success through effective sourcing and management. At our company, we firmly believe in the fundamental role our employees play in the advancement of our business objectives. To ensure operational efficiency and excellence, we entered into an agreement with Communication Merchant on April 25, 2024, for the supply of manpower specifically tailored to support our office operations.

As of April 30, 2024, our workforce comprises a total of 62 employees on contractual basis and 7 employees on permanent status. This strategic combination of contractual and permanent staff allows us to maintain a flexible workforce while also nurturing a core team of dedicated professionals. Here's a breakdown of the current workforce composition:

- Contractual Employees: 62 individuals, whose expertise and services are engaged through our agreement with Communication Merchant. These employees provide essential support across various functions, contributing to the seamless operation of our business activities.
- Permanent Employees: 7 individuals, who form the foundation of our core team. These employees are integral to our long-term strategy, offering continuity, stability, and specialized skills critical to our business operations.

The details of which is given below:

Sr. No.	Particulars of Employees on Contractual Basis	Employees	State
1)	Sales Manager/ Area Sales Manager	06	Chhattisgarh
2)	Admin & Executives	04	Chhattisgarh
3)	Sales Manager/ Area Sales Manager	16	Gujarat
4)	Accountant & Secretarial	02	Gujarat
5)	Account	01	Karnataka
6)	Branch Manager	01	Karnataka
7)	Collection Executive	02	Karnataka
8)	Trainer	01	Karnataka
9)	Business Manager	01	Maharashtra
10)	Accountant	01	Maharashtra
11)	Executive	01	Maharashtra
12)	Sales Managers	13	Madya Pradesh
13)	Executive	01	Madya Pradesh
14)	Sales Managers	12	Uttar Pradesh
	<b>Total</b>	<b>62</b>	

Sr. No.	Particulars of Employees on Permanent Basis	Employees	State
1)	Directors & KMPs	03	Gujarat
2)	Sales Head	01	Chhattisgarh
3)	Sales Head	01	Gujarat
4)	Account & Other	02	Gujarat
	<b>Total</b>	<b>07</b>	

We have not experienced any major strikes, work stoppages, labour disputes or actions by or with our employees, and we have good and cordial relationship with our employees.

#### Intellectual Property Rights

As on date of the Prospectus our company has not get any Intellectual Property Rights.

#### Details of Immovable Property:

The Details of the Owned Properties are as given below:

Particulars	Details
Name of the Parties (Licensor)	H P Telecom India Private Limited
Name of the Parties (Licensee)	My Mobile Retail Solutions LLP
Description of Property	No.8, Basement Part C/2, C/3, Nilam Avenue, Near Sanghavi Hospital, B/H Honest Restaurant, Bhatta, Paldi, Ahmedabad, Gujarat, 380007
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹ 3,60,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	H P Telecom India Private Limited
Name of the Parties (Licensee)	HV Connecting Infra India Private Limited
Description of Property	No.8, Basement Part C/2, C/3, Nilam Avenue, Near Sanghavi Hospital, B/H Honest Restaurant, Bhatta, Paldi, Ahmedabad, Gujarat, 380007
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹ 14,40,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	H P Telecom India Private Limited
Name of the Parties (Licensee)	Phone Mart
Description of Property	No.8, Basement Part C/2, C/3, Nilam Avenue, Near Sanghavi Hospital, B/H Honest Restaurant, Bhatta, Paldi, Ahmedabad, Gujarat, 380007
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹ 2,40,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	H P Telecom India Private Limited
Name of the Parties (Licensee)	Communication Merchants
Description of Property	No.8, Basement Part C/2, C/3, Nilam Avenue, Near Sanghavi Hospital, B/H Honest Restaurant, Bhatta, Paldi, Ahmedabad, Gujarat, 380007
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹ 4,80,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	H P Telecom India Private Limited
Name of the Parties (Licensee)	Communication Merchants (Also share with HM Petroleum)
Description of Property	Shop No. B/11, Bhagwati Ashish Complex 1, City Light Road, Umra, Surat-395007
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹ 60,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	H P Telecom India Private Limited
Name of the Parties (Licensee)	HM Petroleum (Also share with Communication Merchants)
Description of Property	Shop No. B/11, Bhagwati Ashish Complex 1, City Light Road, Umra, Surat-395007
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹60,000/- per annum (Rent will increase 5% in case of renewal)

Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	H P Telecom India Private Limited
Name of the Parties (Licensee)	Telecom Merchant
Description of Property	No.8, Basement Part C/2, C/3, Nilam Avenue, Near Sanghavi Hospital, B/H Honest Restaurant, Bhatta, Paldi, Ahmedabad, Gujarat, 380007
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹ 4,80,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	H P Telecom India Private Limited
Name of the Parties (Licensee)	HM Petroleum
Description of Property	Shop No. L/G/10-11, Bhagwati Ashish Complex 1, City Light Road, Umra, Surat-395007
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹ 2,10,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	H P Telecom India Private Limited
Name of the Parties (Licensee)	HV Connecting Infra India Private Limited
Description of Property	Office No. 702, 7 <sup>th</sup> Floor, Videocon Arizona, Opp. Gujarat Vidhyapith, Ashram Road, Ahmedabad – 380009
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹ 3,60,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	H P Telecom India Private Limited
Name of the Parties (Licensee)	Communication Merchants
Description of Property	Shop No. L/G/10-11, Bhagwati Ashish Complex 1, City Light Road, Umra, Surat-395007
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹ 2,10,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

**The details of the Leased properties are given below:**

Particulars	Details
Name of the Parties (Licensor)	HV Connecting Infra India Private Limited
Name of the Parties (Licensee)	H P Telecom India Limited

Description of Property	FP-97, 1 <sup>st</sup> Floor, Om Square, Near Ishwar Farm, BRTS Canal Road, Bhatar, Surat, Gujarat - 395007
Date of agreement	04.04.2024
Duration of Agreement	01.04.2024 to 31.03.2026
Consideration Paid	₹ 9,00,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Registered Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Ashok Kumar Kalra
Name of the Parties (Licensee)	H P Telecom India Private Limited
Description of Property	H-28, Sector – 70, Noida, G.B. Nagar, U.P
Date of agreement	15.03.2024
Duration of Agreement	13.02.2024 to 12.01.2025
Consideration Paid	₹ 35,000/- per month (Rent will increase 10% in case of renewal)
Deposit Amount	₹35,000/-
Usage	Residential Purpose
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Relay Express Pvt Ltd
Name of the Parties (Licensee)	H P Telecom India Private Limited
Description of Property	H-N-630 D3/B, Chinchavali Village, Global Complex, Shangrilla Resort, Bhiwandi, Thane – 421302, Maharashtra
Date of agreement	06.02.2024
Duration of Agreement	15.02.2024 to 14.02.2025
Consideration Paid	₹5,000/- (Rent will increase 10% on renewal)
Deposit Amount	-
Usage	Warehouse
Area (Approx)	50 Sq Feet

Particulars	Details
Name of the Parties (Licensor)	Seema Vijay Yadav
Name of the Parties (Licensee)	H P Telecom India Limited
Description of Property	117, 1 <sup>st</sup> Floor, Saffron Complex, Nr. Bull Circle, Fatehgunj, Vadodara – 390002
Date of agreement	30.03.2024
Duration of Agreement	01.04.2023 to 31.03.2026
Consideration Paid	₹1,80,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Seema Vijay Yadav
Name of the Parties (Licensee)	H P Telecom India Limited
Description of Property	Shop No. H-25, Sajni Complex, Opp. Surya Complex, City Light Road, Surat, Gujarat - 395007
Date of agreement	30.03.2024
Duration of Agreement	01.04.2023 to 31.03.2026
Consideration Paid	₹ 90,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	U Turn Promoter Private Limited
Name of the Parties (Licensee)	H P Telecom India Private Limited
Description of Property	Plot No. A-14/15, Sector – 59, Noida – 201301, India
Date of agreement	22.01.2024
Duration of Agreement	1 Year starting from 15.02.2024
Consideration Paid	₹ 36,000/- per month
Deposit Amount	₹36,000/-
Usage	Co-Working Space for Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Vijay Lalsingh Yadav
Name of the Parties (Licensee)	H P Telecom India Limited
Description of Property	Plot No. 25, Vibrant Business Part, Vapi GIDC Phase -1, Village: Vapi and Namdha, Taluka: Vapi, Valsad - 396191
Date of agreement	30.03.2024
Duration of Agreement	01.04.2023 to 31.03.2026
Consideration Paid	₹4,20,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Vijay Lalsingh Yadav
Name of the Parties (Licensee)	H P Telecom India Limited
Description of Property	Shop No. H-25, Sajni Complex, Opp. Surya Complex, City Light Road, Surat, Gujarat - 395007
Date of agreement	30.03.2024
Duration of Agreement	01.04.2023 to 31.03.2026
Consideration Paid	₹ 90,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	HV Connecting Infra India Private Limited
Name of the Parties (Licensee)	H P Telecom India Private Limited
Description of Property	Office No. 703, 7 <sup>th</sup> Floor, Videocon Arizona, Opp. Gujarat Vidhyapith, Ashram Road, Ahmedabad – 380009
Date of agreement	29.03.2023
Duration of Agreement	01.04.2022 to 31.03.2025
Consideration Paid	₹ 3,60,000/- per annum (Rent will increase 5% in case of renewal)
Deposit Amount	-
Usage	Commercial Office
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Relay Express Pvt Ltd
Name of the Parties (Licensee)	H P Telecom India Private Limited
Description of Property	A-14 & 15, Sector-59, Noida, Uttar Pradesh - 201309
Date of agreement	22.01.2024
Duration of Agreement	15.02.2024 to 14.02.2025
Consideration Paid	₹ 50,000/- (Rent will increase 10% on renewal)
Deposit Amount	-

Usage	Warehouse
Area (Approx)	500 Sq Feet

Particulars	Details
Name of the Parties (Licensor)	Mrs. Divya Shrivastav
Name of the Parties (Licensee)	H P Telecom India Private Limited
Description of Property	114, 1 <sup>st</sup> Main, 3 <sup>rd</sup> Cross, ISRO Layout, Bangalore – 560 078
Date of agreement	21.12.2023
Duration of Agreement	11 months from 21.12.2023
Consideration Paid	₹ 15,000/- per month
Deposit Amount	₹2,00,000/-
Usage	Residential Purpose
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Mrs. Divya Shrivastav
Name of the Parties (Licensee)	H P Telecom India Private Limited
Description of Property	368, Gautam Nagar, Nr. Chetak Bridge, Bhopal, Madhya Pradesh.
Date of agreement	23.01.2024
Duration of Agreement	11 months from 01.02.2024
Consideration Paid	₹ 23,000/- per month
Deposit Amount	₹23,000/-
Usage	Residential Premises
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Vijay Kumar Gupta
Name of the Parties (Licensee)	H P Telecom India Private Limited
Description of Property	Ground Floor, Behind Gupta Provision, Near Vishal Marg Mart, Pandri, Raipur -492004, India.
Date of agreement	03.06.2021
Duration of Agreement	03.06.2021 to 02.06.2026
Consideration Paid	₹ 30,000/- per month (Rent will escalate by 15% per 3 year)
Deposit Amount	₹90,000/-
Usage	Commercial Office
Area (Approx)	1450 sq. ft.

Particulars	Details
Name of the Parties (Licensor)	Arvind Gangwal
Name of the Parties (Licensee)	H P Telecom India Private Limited & Telecom Merchant
Description of Property	103, 1 <sup>st</sup> Floor, Princes Business Sky Park Scheme no. 54 PU 3 AB Road, Vijay Nagar, Indore.
Date of agreement	23.11.2020
Duration of Agreement	23.11.2020 to 20.12.2025
Consideration Paid	₹ 65,000/- per month (Rent will escalate by 5% per annum)
Deposit Amount	₹3,25,000/-
Usage	Commercial Office
Area (Approx)	1450 sq. ft.

Particulars	Details
Name of the Parties (Licensor)	Kotadiya Ajay Kantilal
Name of the Parties (Licensee)	H P Telecom India Limited
Description of Property	ALAP - B, OFFICE NO 312, Sub District : Choryasi, District : Rajkot, Gujarat, 360001
Date of agreement	05.04.2024
Duration of Agreement	01.04.2024 to 28.02.2025

Consideration Paid	₹ 22,767 /- per month
Deposit Amount	₹ 35,000/-
Usage	Commercial Office
Area (Approx)	

## INSURANCE

### 1) BURGLARY FLOATER POLICY

Particulars	Details
Name of the Insurance Company	United India Insurance Company Limited
Name of Insured	HP Telecom India Pvt Ltd
Policy No	1814001223p102134240
Type of Policy	Burglary Floater Policy
Validity Period	23/05/2024
Premium Paid (Rs.)	Rs. 34,550/-
Sum Insured	Rs. 40,00,00,000/-

### 2) UNITED BHARAT LAGHU UDYAM SURAKSHA POLICY

Particulars	Details
Name of the Insurance Company	United India Insurance Company Limited
Name of Insured	HP Telecom India Pvt Ltd
Policy No	1814001123p102462928
Type of Policy	United Bharat Laghu Udyam Suraksha Policy
Validity Period	31/05/2024
Premium Paid (Rs.)	RS. 381,283/-
Sum Insured	RS. 40,00,00,000/-

### 3) UNITED BHARAT LAGHU UDYAM SURAKSHA POLICY

Particulars	Details
Name of the Insurance Company	United India Insurance Company Limited
Name of Insured	HP Telecom India Pvt Ltd
Policy No	1814001123p102278560
Type of Policy	United Bharat Laghu Udyam Suraksha Policy
Validity Period	29/05/2024
Premium Paid (Rs.)	RS. 381,283/-
Sum Insured	RS. 40,00,00,000/-



## KEY REGULATIONS AND POLICIES IN INDIA

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled "Government and Other Statutory Approvals" on page 179*

### **Key Legislations Applicable to our Business**

#### ***Consumer Protection Act, 2019 (the "Consumer Protection Act") and the rules made thereunder***

The Consumer Protection Act, 2019, which repeals the Consumer Protection Act, 1986 was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" under the Consumer Protection Act also includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums, and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

#### ***Information Technology Act, 2002 ("Information Technology Act")***

The Information Technology Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The Information Technology Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("DoIT"), on April 11, 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("Internet Security Rules") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("IT Intermediaries Rules") requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

#### **The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act"):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any

industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **The Sale of Goods Act, 1930**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of the Sale of Goods Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Sale of Goods Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in the Sale of Goods Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

### ***Shops and Establishments Legislations in Various States***

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

### **Corporate and Commercial Laws**

#### **The Companies Act, 2013**

The Companies Act primarily regulates the formation, financing, functioning, and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial, and managerial aspects of companies. The provisions of the Act state the eligibility, procedure, and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays 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.

#### **Competition Act, 2002**

The Competition Act, 2002 came into effect on June 1, 2011, and has been enacted to "prohibit 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 Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. 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.

#### **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of 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. It is the essential Act which is being used for each and every commercial transaction.

### **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 dishonor 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 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, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title, or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **The Arbitration and Conciliation Act, 1996**

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration, and enforcement of foreign arbitral awards as also to define the law relating to conciliation and formatters connected therewith. The main objectives of the Act are to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

### **The Insolvency and Bankruptcy Code, 2016 (the "Code")**

The Insolvency and Bankruptcy Code, 2016 cover Insolvency of companies, Limited Liability partnerships (LLPs), unlimited liability partnerships, and individuals. The IBC 2016 has laid down a collective mechanism for resolution of insolvencies in the country by maintaining a delicate balance for all stake holders to preserve the economic value of the process in a time bound manner. The code empowers any creditor of a Corporate Debtor (CD), irrespective of it being a Financial Creditor (FC) or Operational Creditor (OC) or secured or unsecured creditor, or the Corporate Debtor itself, to make an application before the Adjudicating Authority (AA) to initiate Corporate Insolvency Resolution Process (CIRP) against a Corporate Debtor, at their discretion, in the event of there being a default by the Corporate Debtor in payment of their dues for an amount

as specified from time to time. On initiation of the Said CIRP, a resolution to be sought for the company within a time bound time period of 180days otherwise it is put on liquidation.

### **Labour and Employment Legislations**

#### **Code on Wages, 2019 ("Wages Code")**

Wages Code received the assent of the President of India and was notified on August 8, 2019, and amends and consolidates laws relating to wages and bonus. The Wages Code subsumes and replaces the (i) Minimum Wages Act, 1948; (ii) Payment of Wages Act, 1936; (iii) Equal Remuneration Act, 1976; and (iv) Payment of Bonus Act, 1965. The Ministry of Labour and Employment vide notification dated December 18, 2020, notified certain provisions of the Wage Code. The provisions of this code will be brought into force on a date to be notified by the Central Government. Under the Wages Code, every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, semi-skilled, manual, operational, supervisory, managerial, administrative, technical or clerical in any employment. The Central Government shall fix the floor wage by taking into account the minimum living standards of a worker. The appropriate government fixes the minimum rate of wages payable to employees, which should not be less than the floor wages fixed by the Central Government. The Wages Code further lays down permissible modes of payment of wages, parameters of awarding bonus, etc.

#### **The Code on Social Security, 2020 ("Social Security Code")**

The Social Security Code was notified on September 28, 2020 and subsumes and amends existing legislations including the (i) Employees' Compensation Act, 1923; (ii) Employees' State Insurance Act, 1948; (iii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (iv) Maternity Benefit Act, 1961; (v) Payment of Gratuity Act, 1972; (vi) Building and Other Construction Workers' Welfare Cess Act, 1996; and (vii) Unorganised Workers' Social Security Act, 2008. As on date of this Prospectus, the Social Security Code has not come into force. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Social Security Code aims to make a national database for unorganised sector workers and create a social security fund, to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage.

#### **Minimum Wages Act, 1948**

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at over time rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of upto Rs. 500.

#### **Payment of Wages Act, 1936**

The Payment of Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than Rs. 10,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

#### **Employees' Compensation Act, 1923**

The Employee's Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Act makes every employer liable to pay compensation in accordance with the Act if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the Act within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

#### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. Under the said Act an employee in a factory who has worked for atleast 30 working days in a year is eligible to be paid a bonus. This Act provides for a minimum bonus of 8.33 percent of wages. The salary limited fixed for eligibility purposes is Rs. 3,500 per month and the payment is subject to the stipulation that the bonus payable to employees drawing wages or salary not exceeded Rs. 10000 per month would be calculated as if their salary or wages is Rs. 3,500 per month. The Central Government is the appropriate authority in respect of the industries /establishments for which it is appropriate Government under the Industrial Disputes Act, 1947. Annual Return in the prescribed form (FORM D) within 30 days of payment of the bonus to the Inspector.

#### **The Maternity Benefit Act,1961**

The purpose of Maternity Act 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides *inter alia* for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc. It applies in the first instance, to every establishment being a factory, mine or plantation including any such establishment belonging to Government and to every establishment where in persons are employed for the exhibition of equestrian , acrobatic and other performances.

#### **The Child Labour (Prohibition and Regulation) Act,1986**

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act, the employment of child labour in the building and construction industry is prohibited.

#### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013 ("SHWW Act")**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at workplace and prevention of sexual harassment at workplace. 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 behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually colored 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).

#### **Environment Protection Legislations**

##### ***E-Waste Management Rules, 2016 (the "E-Waste Rules")***

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centers, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must obtain an authorization from the state pollution control board and submit annual returns to the same Authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the central pollution control board or the state pollution control board. The manufacturer, producer, importer, transporter, refurbisher, dismantler and recycler shall be liable for all damages caused to the environment or a third party due to improper handling and management of the e-waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

#### **Intellectual Property Laws**

##### **The Trademarks Act, 1999("Trademarks Act")**

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trademark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewals.

### **Foreign Exchange Regulations**

#### **The Foreign Trade (Development & Regulation) Act, 1992 ("FTA")**

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government:(i) may make provisions for facilitating and controlling foreign trade;(ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy *inter-alia* provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

#### **Foreign Exchange Management Act, 1999 ("the FEMA") and Rules and Regulations thereunder**

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999, read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 ("Export of Goods and Services Regulations 2015") issued by the RBI on January 12, 2016 (last amended on June 23, 2017). The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

#### **Foreign Trade Policy 2015-2020:**

FTP 2015-20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in line with the 'Make in India' programme. It introduces two new schemes, namely 'Merchandise Exports from India Scheme (MEIS)' for export of specified goods to specified markets and 'Services Exports from India Scheme (SEIS)' for increasing exports of notified services. In view of the unprecedented current situation arising out of the pandemic Novel COVID-19 and to provide continuity in the policy regime, the FTP 2015-2020, valid till 31.03.2022 has been further extended till 30.09.2022 with similar extensions made in the related procedures.

### **OTHER GENERAL REGULATORIES**

#### **Laws Relating to Taxation**

##### **The Goods and Services Tax ("GST") Act, 2017**

The Goods and Services Tax ("GST") is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 ("CGST"), relevant state's Goods and Services Act, 2017 ("SGST"), Union Territory Goods and Services Act, 2017 ("UTGST"), Integrated Goods and Services Act, 2017 ("IGST"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

##### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Further, the Income-tax Act, 1961 (the "Income Tax Act") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its "Residential Status" and "Type of Income" involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued, or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated on March 26, 2011 as “HP Telecom India Private Limited”, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 26, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted to a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on January 29, 2024 and the name of our Company was changed from “HP Telecom India Private Limited” to “HP Telecom India Limited”, pursuant conversion from private to public company and a fresh certificate of incorporation dated February 26, 2024 issued by the Registrar of Companies.

### Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change	Details of change in the registered office	Reasons for change
October 27, 2018	Change within local limits of the city from “H-25, Sajnee Complex, Opp. Surya Complex, City Light Road, Surat, Gujarat, India 395007” to “ Ground Floor Shop No. 10/11, Bhagwati Ashish Complex, TPS 4, FP 149, Umra-South, City Light Road, Surat - 395007, Gujarat, India”	Operational Convenience
February 27, 2024	Change within local limits of the city from “Ground Floor Shop No. 10/11, Bhagwati Ashish Complex, TPS 4, FP 149, Umra-South, City Light Road, Surat - 395007, Gujarat, India” to “KP House, B/Ment 1st Floor, Plot No. 97, Om Square, Opposite Ishwar Farm Junction, BRTS Canal Road, Bhatar, Althan, Surat 395017, Gujarat, India”	Operational Convenience
April 16, 2024	Change within local limits of the city from “KP House, B/Ment 1st Floor, Plot No. 97, Om Square, Opposite Ishwar Farm Junction, BRTS Canal Road, Bhatar, Althan, Surat 395017, Gujarat, India” to “Plot No – 97, 01 <sup>st</sup> Floor, Om Square, Near Ishwar Farm, BRTS Canal Road, Bhatar, Althan, Surat 395017, Gujarat, India”	Operational Convenience

### Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

To carry on the business as manufacturers' representatives, dealers, retailers, wholesalers, factors, agents, consignors, consignees, distributors, stockists, indenters of all classes, kinds, types, nature and descriptions of cellular phones, mobile phones, satellite phones and communication devices and to provide infrastructure facilities relating to communication services.

The main objects clause as contained in the Memorandum of Association enable our Company to undertake its existing activities.

### Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association for the past ten years of our Company till the date of this Draft Prospectus.

Date of Shareholder's resolution/ Effective date	Particulars
November 1, 2012	Increase of the authorised share capital of our Company from ₹ 1,00,00,000 (rupees one crore) consisting of 10,00,000 (ten lakh) Equity Shares of ₹10 each to ₹ 2,00,00,000 (rupees two crores) consisting of 20,00,000 (twenty lakhs) Equity Shares of ₹10 each.
February 1, 2015	Increase of the authorised share capital of our Company from ₹ 2,00,00,000 (rupees two crores) consisting of 20,00,000 (twenty lakhs) Equity Shares of ₹10each to ₹ 3,00,00,000 (rupees three crores) consisting of 30,00,000(thirty



Date of Shareholder's resolution/ Effective date	Particulars
	lakhs) Equity Shares of ₹10 each.
February 13, 2016	Increase of the authorised share capital of our Company from ₹ 3,00,00,000 (rupees three crores) consisting of 30,00,000 (thirty lakhs) Equity Shares of ₹10 each to ₹ 4,00,00,000 (rupees four crores) consisting of 40,00,000 (forty lakhs) Equity Shares of ₹10 each.
February 25, 2017	Increase of the authorised share capital of our Company from ₹ 4,00,00,000 (rupees four crores) consisting of 40,00,000 (forty lakhs) Equity Shares of ₹10 each to ₹ 4,25,00,000 (rupees four crores twenty five lakhs) consisting of 42,50,000 (forty two lakhs fifty thousand) Equity Shares of ₹10 each.
December 4, 2017	Increase of the authorised share capital of our Company from ₹ 4,25,00,000 (rupees four crores twenty five lakhs) consisting of 42,50,000 (forty two lakhs fifty thousand) Equity Shares of ₹10 each to ₹ 5,00,00,000 (rupees five crores) consisting of 50,00,000 (fifty lakhs) Equity Shares of ₹10 each.
July 1, 2020	<p><i>Addition of sub-clause 56 and 57 to the other objects under Clause III(C) in the Memorandum of Association were inserted as follows:</i></p> <p><i>"56. To buy, sell, supply, store, stock, maintain, or otherwise deal in all kinds of varieties of generic and patent/ non-patent medicines, drugs, mixtures, formulations, tablets, pills, powders, pharmaceuticals and medical products, needles, syringes, injectibles, vaccines, sera, immunogens, phylacogens, chemicals and surgical dressings, kits and instruments and to takeover/ establish/ operate and maintain diagnosis centers.</i></p> <p><i>57. To carry on the business as manufacturers of or dealers in or as stockiest, importers and exporters, repairers of surgical marks, N95, 3M Masks, 3 ply doctor surgical masks, cotton masks, lint free masks, woven caps, OT Caps, Medical Bags, Blood bags, non-woven caps, shoe cover coat, Personal Protective Equipment (PPE), operating tables, operating lights head mirrors, fowlers, beds, wheel chairs, trolleys, cupboards, incubation tubes, anesthetic equipment including oxygen cylinders, all kinds of body scanners x-ray operations, x-ray units, x-ray equipments and all other surgical instruments."</i></p>
January 27, 2022	Increase of the authorised share capital of our Company from ₹ 5,00,00,000 (rupees five crores) consisting of 50,00,000 (fifty lakhs) Equity Shares of ₹10 each to ₹ 7,00,00,000 (rupees seven crores) consisting of 70,00,000 (seventy lakhs) Equity Shares of ₹10 each.
January 16, 2024	Increase of the authorised share capital of our Company from ₹ 7,00,00,000 (rupees seven crores) consisting of 70,00,000 (seventy lakhs) Equity Shares of ₹10 each to ₹ 12,00,00,000 (rupees twelve crores) consisting of 1,20,00,000 (one crore twenty lakhs) Equity Shares of ₹10 each.
January 29, 2024	Clause I of our Memorandum of Association was amended to reflect the change of name of our Company from "HP Telecom India Private Limited" to 'HP Telecom India Limited', pursuant to conversion of our Company from private limited to public limited

### Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Calendar Year	Events
March 2011	Incorporated as HP Telecom India Private Limited
March 2020	Turnover of our Company crossed ₹190 Crores
March 2022	Turnover of our Company crossed ₹256 Crores
January 2024	Conversion from Private Company to Public Company

For details of our completed projects and ongoing projects, see "**Business Overview – Order Book**" and "**Business Overview**" on page 88 and 88.

### Awards and Accreditations

As of the date of this Draft Prospectus, our Company has not received any awards or accreditations.

**Significant financial and strategic partnerships**

As of the date of this Draft Prospectus, our Company does not have any significant financial or strategic partnerships.

**Time/cost overrun**

There has been no time or cost over-run in respect of our business operations.

**Launch of key products or services, entry into new geographies or exit from existing**

For details of key services launched by our Company, entry into new geographies or exit from existing markets, see "*Business Overview*" on page 88.

**Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks**

There have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

**Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten years**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation.

**Holding company**

As of the date of this Draft Prospectus, our Company does not have a holding company.

**Our Subsidiaries**

As of the date of this Draft Prospectus, our Company does not have any Subsidiaries.

**Joint Venture of our Company**

As on the date of this Draft Prospectus, our Company does not have any Joint Ventures.

## OUR MANAGEMENT

### Board of Directors

The Articles of Association require that our Board shall comprise of not less than three (3) Directors and not more than fifteen (15) Directors. As on the date of this Draft Prospectus, we have five (5) Directors including Two (2) Executive Directors, including one (1) woman Whole-time Director and Three (3) Non-Executive Directors, including two (2) Independent Directors. The present composition of our Board of Directors and its committees are in accordance with the Companies Act and SEBI Listing Regulations to the extent applicable.

The following table sets forth details regarding our Board as on the date of this Draft Prospectus.

Name, date of birth, age, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
<b>Vijay Lalsingh Yadav*</b> <b>Date of birth:</b> December 20, 1977 <b>Age (years):</b> 46 <b>Address:</b> 7, Meghna Row House, Behind Maharaja Agrasen Bhavan, City Light Road, Surat 395007, Gujarat, India <b>Occupation:</b> Business <b>Term:</b> From March 13, 2024 to March 12, 2029 <b>Period of directorship:</b> Since October 15, 2020 <b>DIN:</b> 01990164	Managing Director	<i>Indian Companies</i> <ul style="list-style-type: none"> <li>• HV Connecting Infra (India) Private Limited</li> <li>• HVC Finance Private Limited</li> <li>• Pinak. Tech Private Limited</li> </ul> <i>Limited Liability Partnership</i> <ul style="list-style-type: none"> <li>• HSL Corporation LLP</li> </ul>
<b>Seemababen Vijay Yadav*</b> <b>Date of birth:</b> June 18, 1980 <b>Age (years):</b> 43 <b>Address:</b> 7, Meghna Row House, Behind Maharaja Agrasen Bhavan, City Light Road, Surat 395007, Gujarat, India <b>Occupation:</b> Business <b>Term:</b> From March 13, 2024 to March 12, 2029 <b>Period of directorship:</b> Since October 15, 2020 <b>DIN:</b> 02008064	Whole-time Director	<i>Indian Companies</i> <ul style="list-style-type: none"> <li>• HV Connecting Infra (India) Private Limited</li> <li>• HVC Finance Private Limited</li> <li>• Pinak. Tech Private Limited</li> </ul> <i>Limited Liability Partnership</i> Nil
<b>Bharatlal Lalsingh Singh</b> <b>Date of birth:</b> March 29, 1981 <b>Age (years):</b> 43 <b>Address:</b> C-203 Pramukh hills, Chharwada Road, Chharwada, Chhiri, Valsad - 396191, Gujarat, India <b>Occupation:</b> Business <b>Term:</b> Liable to Retire by Rotation <b>Period of directorship:</b> Since March 13, 2024 <b>DIN:</b> 02379760	Non-Executive Director	<i>Indian Companies</i> Nil <i>Limited Liability Partnership</i> Nil
<b>Chirag Jitendra Sheth</b> <b>Date of birth:</b> December 18, 1977 <b>Age (years):</b> 46 <b>Address:</b> B/701, Raj Residency, Near Parshuram Garden, Adajan, Surat - 395009, Gujarat, India. <b>Occupation:</b> Business <b>Term:</b> From January 29, 2024 to January 28, 2029 <b>Period of directorship:</b> Since January 29, 2024 <b>DIN:</b> 10473195	Independent Director	<i>Indian Companies</i> Nil <i>Limited Liability Partnership</i> Nil
<b>Dinesh Ram Nath Yadav</b> <b>Date of birth:</b> May5, 1985 <b>Age (years):</b> 38 <b>Address:</b> C-1001 Soham Elegance, TP 10 Main	Independent Director	<i>Indian Companies</i> Nil

Name, date of birth, age, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
Road, Behind LP Savani International School, Pal Gam, Near Time Square, Gauravpath Junction, Surat – 395009, Gujarat, India. <b>Occupation:</b> Service <b>Term:</b> From January 29, 2024 to January 28, 2029 <b>Period of directorship:</b> Since January 29, 2024 <b>DIN:</b> 10473193		<i>Limited Liability Partnership</i>  Nil

\*They were Directors in HV Life Science Pharma Private Limited, the said company is Strike off with effect from May 20, 2022.

#### Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors or members of Senior Management have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. For details, please see "*History and Certain Corporate Matters*" on page 109.

#### Brief profile of our Directors

**Vijay Lalsingh Yadav** is the Managing Director and also one of the Promoters of our Company. He has completed his bachelor's degree of arts (B.A.) from the Kurukshetra University in the year 2000. He has been associated with our Company since incorporation till August 30, 2018 and was been re-appointed as Executive Director with effect from October 15, 2020 till date. He has more than 13 years of work experience in the field of Telecom Industry. He has been associated with HV Connecting Infra (India) Private Limited since June 1, 2011 as a Director. He is engaged in the day-to-day business of our Company. His other ventures include HV Connecting Infra (India) Private Limited, Pinak. Tech Private Limited, HVC Finance Private Limited, PM and HM Petroleum, HV Lubricants and Vijay Yadav HUF.

**Seemababen Vijay Yadav** is the Whole-time Director and one of the Promoters of our Company. She completed her bachelor's degree of arts (B.A.) from the South Gujarat University in the year 2002. She has been associated with our Company since incorporation till August 30, 2018 and has been re-appointed as Executive Director Chairperson with effect from October 15, 2020 till date. She has more than 13 years of work experience in the field of Telecom Industry. She has been associated with HV Connecting Infra (India) Private Limited since June 1, 2011 as a Director. She is engaged in the online business initiatives, operational oversight, team co-ordination and project management of our Company. Her other ventures include HV Connecting Infra (India) Private Limited, Pinak. Tech Private Limited, HVC Finance Private Limited, HV Lubricants and Communication Merchant.

**Bharatlal Lalsingh Singh** is a Non-Executive Director of our Company. He graduated with Senior Secondary School from the Board of School Education, Haryana in the year 1998. He has over 10 years of work experience in the field of mobile distribution. He has been associated with our Company since March 13, 2024. He is oversees operational efficiency, quality assurance, UP supply chain and logistics of our Company. He is also associated with Communication Merchants as a Partner since 2014.

**Chirag Jitendra Sheth** is an Independent Director of our Company. He completed his bachelors of Engineering (Civil) from the South Gujarat University in the year 2002. He has been associated with our Company since January 29, 2024. He has more than 2 decade of experience in construction services. His expertise lies in project management from planning to till execution work.

**Dinesh Ram Nath Yadav** is an Independent Director of our Company. He completed his Master in Business Administration from the Sarvepalli Radhakrishnan University in the year 2018. He has been associated with our Company since January 29, 2024. He has more than 15 years of work experience in Sales and Marketing. He was associated with Manak Waste Management Private Limited (Cashify) from October 2022 to March 2023. He is currently working with Manpower Group Services India Private Limited since May 2023 till date.

#### Relationship between Our Directors, Key Managerial Personnel and Senior Management

Except Vijay Lalsingh Yadav and Semmabahen Vijay Yadav, who are husband and wife, Vijay Lalsingh Yadav and Bharat Lalsingh Singh, who are brothers and Seemabahen Vijay Yadav and Bharat Lalsingh Singh, who are sister-in-law and brother-in-law, none of our Directors are related to each other or to our Key Managerial Personnel and Senior Management.

#### **Service Contracts entered into by Director**

Other than the statutory benefits that the Directors are entitled to, upon their retirement, as per Company policies, they have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

#### **Terms of Appointment of our Executive Director:**

The following table sets forth the terms of appointment of Vijay Lalsingh Yadav with effect from March 13, 2024 for a period of 5 years and the agreement dated March 13, 2024 between our Company and Vijay Lalsingh Yadav:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Salary and Perquisites</b>
1.	Basic Salary	Rs. 5.00 Lakhs per month
2.	Perquisites	Perquisites as per the Section IV of the Schedule V of the Act as provided below: Provident fund and superannuation: A. Company's contribution towards provident fund as per rules of the company but not exceeding 12% of salary and company's contribution towards superannuation fund which shall not, together with the company's contribution to provident fund, exceed 12%. B. Gratuity payable at the rate of half month's salary for each completed year of serviced six month or more being treated as a full year. C. Encashment of leave at the end of tenure.
3.	Other Benefits	Reimbursement of entertainment and traveling expenses incurred in connection with the Company's business.

The following table sets forth the terms of appointment of Seemabahen Vijay Yadav with effect from March 13, 2024 for a period of 5 years and the agreement dated March 13, 2024 between our Company and Seemabahen Vijay Yadav:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Salary and Perquisites</b>
1.	Basic Salary	Rs. 4.00 Lakhs per month
2.	Perquisites	Perquisites as per the Section IV of the Schedule V of the Act as provided below: Provident fund and superannuation: A. Company's contribution towards provident fund as per rules of the company but not exceeding 12% of salary and company's contribution towards superannuation fund which shall not, together with the company's contribution to provident fund, exceed 12%. B. Gratuity payable at the rate of half month's salary for each completed year of serviced six month or more being treated as a full year. C. Encashment of leave at the end of tenure. D.
3.	Other Benefits	Reimbursement of entertainment and traveling expenses incurred in connection with the Company's business.

#### **Terms of appointment of Non-Executive Directors (including Independent Directors)**

Our Non-executive Directors (including Independent Directors) are not entitled to receive any remuneration or compensation (including sitting fees) from our Company. Our Independent Directors were appointed during the F.Y.2023-24. Accordingly, no remuneration has been paid to our Non-executive Directors (including Independent Directors) in F.Y.2022-23.

#### **Compensation of Whole-time Director/ Compensation of Managing Directors**

The details of the Remuneration paid to our Executive Directors in the F.Y 2022-23 is set out as below:

Name of Director	Designation	Remuneration (₹ in lakhs)
Vijay Lalsingh Yadav	Managing Director	6.00
Seemabahen Vijay Yadav	Whole Time Director	6.00

#### Remuneration paid or payable to our Directors from our Subsidiaries or Associate Company

Our Company does not have any subsidiary or associate company. As such, our Directors do not receive any remuneration from any subsidiary or associate company.

#### Bonus or profit-sharing plan for the Directors

Our Company does not have any bonus or profit-sharing plan for the Directors.

#### Shareholding of our Directors

Our Articles of Association do not require our Directors to hold any qualification shares.

The table below sets forth details of Equity Shares held by the Directors, as on date of filing of this Draft Prospectus:

Sr. No.	Name of the Director	Number of Equity Shares	Percentage (%)
1.	Vijay Lalsingh Yadav	44,02,628	50.34
2.	Seemabahen Vijay Yadav	37,27,852	42.62
3.	Bharat Lalsingh Singh	2,55,000	2.91
<b>Total</b>		<b>83,85,480</b>	<b>95.87</b>

#### Contingent and/or deferred compensation payable to our Directors:

Except as disclosed under "*Our Management – Terms of appointment of our Executive Director*" on page 112 there are no contingent or deferred compensation payable to our Executive Director which does not form part of his remuneration.

#### Borrowing Powers

Pursuant to our Articles of Association and the applicable provisions of the Companies Act, 2013 and the rules framed thereunder, and pursuant to our Board resolution dated 11<sup>th</sup> March, 2024, and the special resolution passed by our Shareholders on 13<sup>th</sup> March, 2024, our Board is authorised to borrow sums of money, which, together with the monies borrowed by our Company (excluding temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of our Company and its free reserves, provided that the aggregate borrowings and outstanding at any time shall not exceed the amount of ₹ 200 crores or the aggregate of the paid-up share capital and free reserves of our Company, whichever is higher.

#### Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses and the rent income as specified in the agreement, if any, payable to them by our Company for attending meetings of our Board or committees thereof.

Our Directors may be interested to the extent Rental income mutually agree on the term and condition of agreement. Equity Shares, if any, held by them, or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees and any dividend and other distributions payable in respect of such Equity Shares.

None of our Directors have availed any loan from our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/

her as a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

### **Interest in property**

None of our Directors are interested in any property acquired or proposed to be acquired by our Company.

### **Interest in promotion or formation of our Company**

Vijay Lalsingh Yadav, Managing Director and Seemabahen Vijay Yadav, Whole-time Director are the Promoters of our Company. For further details regarding our Promoter, see "**Our Promoters**" on page 122.

### **Business interest**

Except as stated in the sections titled "**Restated Financial Statements – Note 8 – Related Party Transactions**" on page 151, our Directors do not have any other business interest in our Company.

### **Confirmation**

None of our Directors is or was a director of any listed company whose shares have been or were suspended from being traded on any stock exchanges in India during the term of their directorship in such companies, in the last five years preceding the date of this Draft Prospectus.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchanges, during the term of their directorship in such Companies.

None of our Directors have been declared as Willful Defaulters.

### **Confirmation in relation to RBI Circular dated July 1, 2016**

Neither our Company nor any of our Directors have been declared as Fraudulent Borrowers by RBI in terms of the RBI circular dated July 1, 2016.

### **Changes in our Board during the last three years**

The changes in our Board of our Company during the last three years till the date of this Draft Prospectus are set forth below.

<b>Name of Director</b>	<b>Date</b>	<b>Reason</b>
Vijay Lalsingh Yadav	October 15, 2020	Appointed as Executive Director
Seemabahen Vijay Yadav	October 15, 2020	Appointed as Executive Director
Sangita Bharatlal Yadav*	October 15, 2020	Cessation as Director
Jitendra Bachubhai Rajpara*	October 15, 2020	Cessation as Director
Chirag Jitendra Sheth	January 29, 2024	Appointment as Independent Director
Dinesh Ram Nath Yadav	January 29, 2024	Appointment as Independent Director
Bharatlal Lalsingh Singh	March 13, 2024	Appointment as Non-Executive Director
Vijay Lalsingh Yadav	March 13, 2024	Change in designation from Executive Director to Managing Director
Seemabahen Lalsingh Yadav	March 13, 2024	Change in designation from Executive Director to Whole-time Director

\*Sangita Bharatlal Yadav and Jitendra Bachubhai Rajpara resigned on October 15, 2020 due to their on-going work assignments and commitments.

### **Corporate Governance**

In additions to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of the SEBI Listing Regulations except Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C, D, and E of Schedule will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

#### **Audit Committee**

The Audit Committee was constituted pursuant to a meeting of our Board held on March 13, 2024.

The Audit Committee currently consists of:

- a) Vijay Lalsingh Yadav (*Chairman*)
- b) Dinesh Ram Nath Yadav (*Member*); and
- c) Chirag Jitendra Sheth (*Member*).

Further, the Company Secretary of our Company shall act as the secretary to the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

The role of the audit committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Qualifications in the draft audit report
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ 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. Review and monitor the auditor's independence, performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non – payment of declared dividends) and creditors;



18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases;
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
21. To investigate any other matters referred to by the Board of Directors;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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;
- (f) Statement of deviations:
  1. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1);
  - (a) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### **Nomination and Remuneration Committee:**

The Nomination and Remuneration committee was constituted by a resolution of our Board dated March 13, 2024.

The Nomination and Remuneration Committee currently consists of:

- a) Dinesh Ram Nath Yadav (*Chairperson*);
- b) Chirag Jitendra Sheth (*Member*); and
- c) Bharatlal Lalsingh Singh (*Member*)

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of Nomination and Remuneration Committee shall include the following:

- (1) 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;
- (2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: a. use the services of an external agencies, if required; b. consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates;
- (3) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (4) Devising a policy on diversity of board of directors;
- (5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (6) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (7) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- (8) 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
- (9) Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**Stakeholders’ Relationship Committee**

The Stakeholders’ Relationship Committee was constituted pursuant to a meeting of our Board held on March 13, 2024. The Stakeholders’ Relationship Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders’ Relationship Committee currently consists of:

- a) Dinesh Ram Nath Yadav (*Chairman*);
- b) Chirag Jitendra Sheth (*Member*); and
- c) Vijay Lalsingh Yadav (*Member*)

**Role of Stakeholders’ Committee**

The role of Stakeholder Relationship Committee, together with its powers, is as follows:

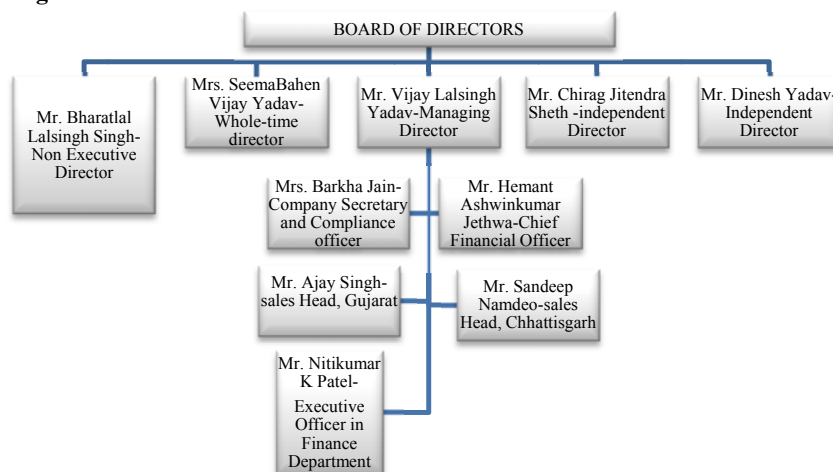
- (1) Resolving grievances of our security holders, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- (2) Review of measures taken for effective exercise of voting rights by shareholders;
- (3) Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (4) Review of various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

**Internal Complaints Committee – Redressal of Sexual Harassment**

The Internal Complaints Committee was constituted pursuant to a meeting of our Board held on March 13, 2024, for redressal of sexual harassment complaints and for ensuring time bound resolution of such complaints. The Internal Committee is in compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee / Complaints Committee currently consist of:

- (a) Priyanka Bhoyar (*Presiding Officer*);
- (b) Hemant Jethwa (*Member*);
- (c) Riddhi Lodhari (*Member*); and
- (d) Nitin Patel (*Member*).

**Management Organization Structure**



**Key Managerial Personnel and Senior Management Personnel**

### *Key Managerial Personnel*

Other than Vijay Lalsingh Yadav, Managing Director and Seemabahen Vijay Yadav, Whole-time Director, whose details are provided hereinabove, the details of our Key Managerial Personnel, as on the date of this Draft Prospectus are set forth below.

**Barkha Jain** is the Company Secretary and Compliance Officer of our Company. She has been working with our Company since March 11, 2024. She has completed the degree of Bachelors in Commerce from the University of Burdwan, in the year 2009. She is an Associate Member of the Institute of Company Secretaries of India since 2015. She has previously worked with Klass Insolvency Resolution Professionals Private Limited from May 2023 to August 2023. In Fiscal 2023, she did not receive compensation from our Company.

**Hemant Jethwa** is the Chief Financial Officer of our Company. He has been working with our Company since March 11, 2024. He has completed the degree of Masters in Commerce from the Veer Narmada South Gujarat University, in the year 2002. He has previously worked as Account Manager with Orange Megastructure LLP from 2018 till December 31, 2023. In Fiscal 2023, did not receive compensation from our Company.

### **Senior Management**

In addition to the Chief Financial Officer and the Company Secretary and Compliance Officer of our Company, whose details are provided in "**Our Management – Key Managerial Personnel**" on page 112, the details of our other Senior Management are set out below:

**Ajay Singh** is the Sales Head Gujarat in our Company w.e.f March 08, 2024. He has been working with our Company since February 22, 2019 on a contractual basis through Communication Merchant. He completed the degree of Post Graduate Diploma in Business Management from Ishan Institute of Management and Technology in the year 2005. He has over more than 17 years of experience in Sales and Distribution. His roles and responsibilities include overlooking Sales within the state of Gujarat. In Fiscal 2023, he received a compensation of Rs. 11,53,967 from Communication Merchant.

**Nitin Patel** is the Executive Officer in Finance Department in our Company w.e.f March 08, 2024. He has been working with our Company since March 16, 2021 on a contractual basis through Communication Merchant.. He completed the degree of from K.P. College of Commerce college in the year 1988. He has over more than 25 years of experience in Accounting. His roles and responsibilities include overlooking Finance. In Fiscal 2023, he received a compensation of Rs. 4,19,009 from Communication Merchant.

**Sandeep Namdeo** is the Sales Head Chhattisgarh in our Company w.e.f March 08, 2024. He has been working with our Company since March 1, 2021 on a contractual basis through Communication Merchant.. He completed the degree of Bachelor of Technology from National Institute of Technology Raipur in the year 2012. He has over 14 years of experience in Sales and Distributions. His roles and responsibilities include Managing Sales. In Fiscal 2023, he received a compensation of Rs. 8,96,902 from Communication Merchant.

### **Service Contracts with Key Managerial Personnel**

No Key Managerial Personnel and Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

### **Interest of Key Managerial Personnel and Senior Management Personnel**

For details of the interest of our Executive Directors in our Company, see "**Our Management – Interest of Directors**" on page 112.

Other than to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Management Personnel have no other interest in the equity share capital of the Company.

No loans have been availed by our Key Managerial Personnel and Senior Management Personnel from our Company as on the date of this Draft Prospectus.

### **Relationship amongst Key Managerial Personnel and Senior Management Personnel**

Except as disclosed in the "**Our Management - Relationship between Directors and Key Managerial Personnel or Senior Management**", none of our Key Managerial Personnel and Senior Management Personnel are related to each other.

**Arrangements and understanding with major Shareholders, customers, suppliers or others**

None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

**Payment or benefit to officers of our Company (non-salary related)**

No non salary related amount or benefit has been paid or given to any officer of our Company including Key Managerial Personnel or Senior Management within the two years preceding the date of filing of this Draft Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

**Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel**

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel.

**Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel**

There is no bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel.

**Status of Key Managerial Personnel and Senior Management Personnel**

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

**Shareholding of Key Managerial Personnel and Senior Management Personnel**

Except Vijay Lalsingh Yadav, Managing Director and Seemabahen Vijay Yadav, Whole-time Director, none of our Key Managerial Personnel and Senior Management Personnel hold Equity Shares in our Company as on the date of this Draft Prospectus.

No.	Name of the Shareholder	Number of Equity Shares	Percentage of pre- offer equity share capital
1.	Vijay Lalsingh Yadav	44,02,628	50.34
2.	Seemabahen Vijay Yadav	37,27,852	42.62

**Changes in Key Managerial Personnel and Senior Management Personnel during the last three years**

The changes in our Key Managerial Personnel and Senior Management Personnel during the last three years till the date of this Draft Prospectus are set forth below.

Name of KMP/SMP	Date	Reason
Sandeep Namdeo	March 1 2021	Appointment as Sales Head Chhattisgarh
Ajay Singh	July 1, 2022	Change in designation from Branch Manager to Sales Head Gujarat
Chirag Chavda	April 21, 2023	Appointment as Billing Executive
Barkha Jain	March 11, 2024	Appointment as Company Secretary and Compliance Officer
Hemant Jethwa	March 11, 2024	Appointment as Chief Financial Officer

**Attrition of Key Managerial Personnel and Senior Management Personnel**

The attrition of Key Managerial Personnel and Senior Management Personnel is not high in our Company.

**Employee Stock Options and Stock Purchase Schemes**

As on date of this Draft Prospectus, our Company does not have any Employee Stock Options and other Equity-Based Employee Benefit Schemes.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

Vijay Lalsingh Yadav, Seemabahen Vijay Yadav and Bharatlal Lalsingh Singh are the Promoters of our Company. As on the date of this Draft Prospectus, our Promoters' shareholding in our Company is as follows:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	% of Pre-Issue issued, subscribed and paid-up Equity Share capital*
1.	VijayLalsingh Yadav	44,02,628	50.34
2.	Seemabahen Vijay Yadav	37,27,852	42.62
3.	Bharatlal Lalsingh Singh	2,55,000	2.91

\*Rounded-off to the closest decimal

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group in our Company*", on page 62.

### Details of our Individual Promoters

	<p><b>Vijay Lalsingh Yadav</b></p> <p>Vijay Yadav born on December 20, 1977, aged 46 years, is a citizen of India. He resides at 7, Meghna Row House, Behind Maharaja Agrasen Bhavan City Light Road, Surat city, Gujarat 395007, India</p> <p><i>Permanent Account Number: AVZPS5259B</i></p> <p>For the complete profile of Vijay Yadav, along with details of his date of birth, residential address, educational qualifications, business experience, positions/ posts held in the past and other directorships, special achievements, business and other activities, see "<i>Our Management</i>" on page 112.</p>
	<p><b>Seemabahen Vijay Yadav</b></p> <p>Seema Yadav, born June 18, 1980, aged 43 years, is a citizen of India. She resides at 7, Meghna Row House, Behind Maharaja Agrasen Bhavan City Light Road, Surat city, Gujarat 395007, India</p> <p><i>Permanent Account Number: BKCP57132J</i></p> <p>For the complete profile of Seema Yadav, along with details of her date of birth, residential address, educational qualifications, business experience, positions/ posts held in the past and other directorships, special achievements, business and other activities, see "<i>Our Management</i>" on page 112.</p>
	<p><b>Bharatlal Lalsingh Singh</b></p> <p>Bharatlal Lalsingh Singh, born March 29, 1981, aged 43 years, is a citizen of India. He resides at C-203 Pramukh hills, Chharwada Road, Chharwada, Chhiri, Valsad - 396191, Gujarat, India.</p> <p><i>Permanent Account Number: BSKPS9902E</i></p> <p>For the complete profile of Bharat Lalsingh Singh, along with details of her date of birth, residential address, educational qualifications, business experience, positions/ posts held in the past and other directorships, special achievements, business and other activities, see "<i>Our Management</i>" on page 112.</p>

Our Company confirms that the permanent account number, bank account number(s), passport number, Aadhaar card number and driving license number of Vijay Lalsingh Yadav, Seemabahen Vijay Yadav and Bharatlal Lalsingh Singh shall be submitted to Emerge Platform of NSE at the time of filing of this Draft Prospectus.

### Changes in control of our Company

There was no change in control of our Company during the 5 (five) years immediately preceding the date of filing of this Draft Prospectus.

### Interest of our Promoters

Our Promoters are interested in our Company to the extent of: (i) having promoted our Company; (ii) their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by them or their relatives; (iii) of remuneration payable to them as Directors of our Company; and (iv) of payment of rent for the Registered Office. For further details, see "*Capital Structure*", "*Our Management*", "*Summary of the Issue Document -Related Party Transactions*" and "*Financial Statements*" beginning on pages 56, 112, 15 and 126 respectively.

Except as stated in "*Summary of the Issue Document -Related Party Transactions*" beginning on page 15 and disclosed in "*Our Management*" beginning on page 112, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the two years preceding the date of filing of the Draft Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Draft Prospectus.

### Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm however Vijay Lalsingh Yadav disassociated himself from My Mobile Retail Solution LLP during the three years preceding the date of filing of this Draft Prospectus.

### Confirmations

Our Promoters have not been declared as Wilful Defaulters.

Our Promoters and members of our Promoter Group have not been debarred from accessing the capital market for any reasons by SEBI or any other regulatory or governmental authorities.

Our Promoters are not promoter or director of any other Company which is debarred from accessing capital markets.

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

### Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations except the Promoters are set out below

*Natural persons forming part of our Promoter Group (other than our Promoter):*

Relationship with promoters			
Promoter	Vijay Yadav	Seemabahen Vijay Yadav	Bharatlal Lalsingh Singh
Father	Late Lalsingh Yadav	SureshbhaiAmratlal Thakkar	Late Lalsingh Yadav
Mother	KrishnadeviLalsingh Yadav	KalpanaSureshbhai Thakkar	Krishnadevi Lalsingh Yadav
Spouse	Seema Vijay Yadav	Vijay Lalsingh Yadav	Sangita B Yadav
Brother	Bharatlal Lalsingh Singh	Prashant S Thakkar	Vijay Lalsingh Yadav
Sister	Vijayalaxmi H Yadav	Krishna Madhwani Falguni Thakkar	Vijayalaxmi H Yadav Sangita B Yadav
Son	-	-	Rishabh Yadav

Daughter	Sanvi V Yadav	Sanvi V Yadav	Priyanka Yadav
Spouse's Father	Sureshbhai Amratlal Thakkar	Late Lalsingh Yadav	Late Ramsingh Balmukund Yadav
Spouse's Mother	Kalpna Sureshbhai Thakkar	Krishnadevi Lalsingh Yadav	Suvidh Singh
Spouse's Brother	Prashant S Thakkar	Bharatlal Lalsingh Singh	Raj Kanwar Ashok Kumar
Spouse's Sister	Krishna Madhwani Falguni Thakkar	Vijayalaxmi H Yadav	Sunita Yadav

*Entities forming part of our Promoter Group (other than our Promoters):*

Sr. No.	Name of the entities
<b>Body corporates in which at least 20% of the equity share capital is held by our Promoters or the immediate relatives as set out above of our Promoters</b>	
1.	HV Connecting Infra India Private Limited
2.	VGS Bharose Ki Dukaan LLP
3.	HV Connecting LLC
<b>Body corporate in which at least 20% of the equity share capital is held by the body corporates forming a part of our Promoter Group as set out above</b>	
1.	HVC Finance Private Limited
<b>Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than 20% of the total capital</b>	
1.	Vijay Lalsingh Yadav HUF
2.	Bharat Lalsingh Yadav HUF
3.	Telecom Merchant
4.	Communication Merchant
5.	Communication Merchant Care
6.	HV Lubricants
7.	PM and HM Petroleum
8.	RP distributors

## DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013 together with the applicable rules issued thereunder. The dividend distribution policy of our Company was approved and adopted by our Board on March 13, 2024 (the "**Dividend Distribution Policy**").

The Dividend Distribution Policy provides that our Board may consider the following financial/internal parameters while declaring or recommending dividend to Shareholders: (i) our Company's net profits earned during the Financial Year after tax; (ii) retained earnings; (iii) working capital requirement and repayment of debts, if any, (iv) contingent liabilities; (v) earnings outlook for at least next three years; (vi) current and expected future capital/liquidity requirements including expansion, modernization, investment in group companies and acquisitions; (vii) buyback of shares or any other profit distribution measure; (viii) stipulations/covenants of any agreement to which our Company is a party (including; financing documents, investment agreements and shareholders agreement); (ix) applicable legal restrictions; (x) and overall financial position of our Company; and (xi) any other factors and material events considered relevant by our Board, including those set out in any annual business plan and budget of our Company.

Our Board may consider the following external parameters while declaring or recommending dividend to Shareholders: (i) the applicable legal requirements, regulatory conditions or restrictions; (ii) dividend pay-out ratios of companies in similar industries; (iii) financing costs; (iv) the prevailing economic environment; and (v) any other relevant factors and material events to our Company.

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 then ongoing or planned business expansion or other factors which may be considered by the Board.

Retained earnings may be utilized by our Company for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board. Our Company may also, from time to time, pay interim dividends. For details in relation to risks involved in this regard, see "**Risk Factors - Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures**" on page 21.

We have not declared and paid any dividends on the Equity Shares in any of the five Financial Years preceding the date of this Draft Prospectus and until the date of this Draft Prospectus The dividend history in the past is not necessarily indicative of our dividend amounts, if any, in the future



## SECTION V – FINANCIAL INFORMATION

### Independent Auditor’s Examination Report on Restated Financial Information of HP Telecom India Limited (formerly known as HP Telecom India Private Limited)

To,  
The Board of Directors  
HP Telecom India Limited

Dear Sirs/Madams,

1. We have examined the attached Restated Financial Information of **HP Telecom India Limited** (formerly known as HP Telecom India Private Limited) (the “**Company**” or the “**Issuer**”) which comprises of the Restated Statement of Assets and Liabilities as at December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2021, the Restated Statement of Profit and Loss and the Restated Statement of Cash Flow for the nine months period ended December 31, 2023 and years ended March 31, 2023, March 31, 2022 and March 31, 2021 and Significant Accounting Policies and other explanatory Information (collectively referred to as the “**Restated Financial Information**”), annexed to this report for the purpose of inclusion in the Draft Prospectus (“**DHRP**”), and Prospectus (hereinafter referred as , the “**Offer Documents**”) of the Company proposed to be filed with the Securities and Exchange Board of India (“**SEBI**”), SME Platform of National Stock Exchange Limited (“**NSE Emerge/NSE SME**”)(“**Stock Exchange**”) and the relevant Registrar of Companies (“**ROC**”). These Restated Financial Information have been prepared by the Company and approved by the Board of Directors of the Company at their meeting held on April 16, 2024.
2. These Restated Financial Information have been prepared by the Company in accordance with the requirements of:
  - a. Section 26 of Part 1 of Chapter III of the Companies Act, 2023 (the “**Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**ICDR Regulations**”) and related amendments/clarifications from time to time issued by SEBI; and
  - c. The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
3. The Company’s Board of Directors are responsible for the preparation of Restated Financial Information for the purpose of inclusion in the Offer Documents. The Restated Financial Information of the Company have been extracted by the management from the Audited Financial Statements (defined hereinafter) of the Company as at and for the period ended December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2021, which have been approved by the Board of Directors.
4. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure 4 to the Restated Financial Information. The Board of Directors of the Company’s responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations, and the Guidance Note.

#### Auditor’s Responsibilities

5. We have examined the Restated Financial Information taking into consideration:
  - a. The terms of reference and terms of our engagement agreed with you in accordance with our engagement letter; requesting us to carry out the assignment, in connection with the proposed IPO of equity shares of the Company
  - b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI;
  - c. The concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Financial Information; and
  - d. The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, Guidance Note and the ICDR Regulations in connection with the Offer.

6. These Restated Financial Information have been compiled by the Management from:
  - a. Audited Interim financial statements of the Company as at and for the nine months period ended December 31, 2023 prepared in accordance with the Accounting Standard 25 (AS 25) “Interim Financial Reporting” and other accounting principles generally accepted in India (“**Interim Financial Statements as on 31-12-2023**”);
  - b. Audited financial statements of the Company as at and for the year ended March 31, 2023 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2023**”);
  - c. Audited financial statements of the Company as at and for the year ended March 31, 2022 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2022**”);
  - d. Audited financial statements of the Company as at and for the year ended March 31, 2021 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2021**”);
7. For the purpose of our examination, we have relied on:
  - a. Auditor’s report issued by us dated April 16, 2024 on the Interim Financial Statements of the company as at and for the nine months period ended December 31, 2023 as referred in Para 4(a) above;
  - b. Auditor’s report issued by us dated September 5, 2023 on the Financial Statements of the company as at and for the year ended March 31, 2023 as referred in Para 4(b) above;
  - c. Auditor’s report issued by us dated September 3, 2022 on the Financial Statements of the company as at and for the year ended March 31, 2022 as referred in Para 4(c) above;
  - d. Auditor’s report issued by us dated September 25, 2021 on the Financial Statements of the company as at and for the year ended March 31, 2021 as referred in Para 4(d) above;
8. Based on our examination and according to the information and explanation given to us, we report that Restated Financial Information:
  - a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors, and regrouping/reclassifications, retrospectively in the period/financial years as at and for the period/financial years ended December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months period ended December 31, 2023;
  - b. does not contain any qualifications requiring adjustments; and
  - c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. We have been subjected to the peer review process of the ICAI and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on Audited Financial Statements mentioned in paragraph 7 above.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
13. Our report is intended solely for the use of the Board of Directors for inclusion in the Offer Document to be filed with SEBI, Stock Exchange, and ROC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly,

we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**FOR ASLOT AND ASSOCIATES  
CHARTERED ACCOUNTANTS**

**Sd/-**

**ISHAN ASLOT  
(PROPRIETOR)**

**FRN: 146025W**

**M. No.: 180986**

**Place: Surat**

**Date: April 16, 2024**

**UDIN: 24180986BKFFVB8674**

## Annexure 1 Restated Balance Sheet

(Rs. in Lakhs)

Particulars	Note	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' funds</b>					
a) Share capital	2.1	583.03	583.03	583.03	499.00
b) Reserves and surplus	2.2	2,024.86	1,467.93	963.12	634.05
		<b>2,607.89</b>	<b>2,050.96</b>	<b>1,546.15</b>	<b>1,133.05</b>
<b>2. Current liabilities</b>					
a) Short-term borrowings	2.3	11,785.02	5,929.01	2,449.71	2,624.21
b) Trade payables	2.4				
Dues to Micro enterprises & small enterprises		12.48	-	-	-
Dues to Other than Micro enterprises & small enterprises		302.00	1,093.34	467.43	-
c) Other current liabilities	2.5	28.30	66.81	70.21	153.45
d) Short-term provisions	2.6	300.50	215.22	72.79	69.70
		<b>12,428.30</b>	<b>7,304.38</b>	<b>3,060.14</b>	<b>2,847.36</b>
<b>Total Equity &amp; Liability</b>		<b>15,036.19</b>	<b>9,355.34</b>	<b>4,606.30</b>	<b>3,980.41</b>
<b>ASSETS</b>					
<b>4. Non-current assets</b>					
<b>a) Property, Plant and Equipment and Intangible Assets</b>					
Property, Plant and Equipment	2.7	166.08	125.56	244.54	210.90
b) Non-current investments	2.8	944.51	944.51	359.95	178.00
c) Deferred tax assets (net)	2.9	1.89	1.52	1.23	1.13
e) Other non-current assets	3.0	8.99	1.82	1.82	1.83
		<b>1,121.47</b>	<b>1,073.41</b>	<b>607.54</b>	<b>391.86</b>
<b>5. Current assets</b>					
a) Inventories	3.1	6,302.94	2,237.08	1,220.61	879.92
b) Trade receivables	3.2	3,067.15	2,327.83	2,308.45	1,392.82
c) Cash and cash equivalents	3.3	3,681.67	3,615.47	389.40	1,221.50
d) Short-term loans and advances	3.4	59.98	11.54	13.60	31.31
e) Other current assets	3.5	802.98	90.01	66.70	63.00
		<b>13,914.72</b>	<b>8,281.93</b>	<b>3,998.76</b>	<b>3,588.55</b>
<b>Total Assets</b>		<b>15,036.19</b>	<b>9,355.34</b>	<b>4,606.30</b>	<b>3,980.41</b>

In terms of our attached report of even date

For Aslot and Associates  
Chartered Accountants  
FRN: 0146025W

For HP Telecom India Limited

Sd/-  
Ishan Aslot  
(Proprietor)  
M. No.: 180986

Sd/-  
Vijay Lalsing Yadav  
(Managing Director)  
DIN:01990164

Sd/-  
Seema Vijay Yadav  
(Whole-time Director)  
DIN:02008064

Place: Surat  
Date: 16 April, 2024  
UDIN: 24180986BKFFVB8674

Sd/-  
Hemant Jethwa  
(Chief Financial Officer) (Company Secretary)

Sd/-  
Barkha Jain  
(Company Secretary)

**Annexure 2 Restated Statement of Profit and Loss**
**(In Rs Lakhs except earnings per share)**

Particulars	Note	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
Revenue from operations	3.6	75881.78	63750.83	29204.03	23665.40
Other income	3.7	1368.49	96.35	51.37	28.07
<b>Total Revenue</b>		<b>77250.27</b>	<b>63847.18</b>	<b>29255.40</b>	<b>23693.47</b>
<b>Expenses</b>					
Purchases of Stock-in-Trade	3.8	79493.02	63118.80	28684.25	23059.79
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3.9	-4065.86	-1016.47	-340.69	-83.09
Employee benefits expense	4.0	187.95	226.46	202.83	131.71
Finance costs	4.1	613.18	486.94	252.54	152.13
Depreciation and amortization expense	4.2	5.39	5.24	3.35	2.88
Other expenses	4.3	265.22	179.05	178.83	217.51
<b>Total expenses</b>		<b>76498.90</b>	<b>63000.02</b>	<b>28981.11</b>	<b>23480.93</b>
Profit before exceptional, extraordinary and prior period items and tax		751.37	847.16	274.29	212.54
Exceptional items		-	-	-	-
Profit before extraordinary and prior period items and tax		751.37	847.16	274.29	212.54
Extraordinary Items	4.4	-	-	9.62	-
Profit before prior period items and tax		751.37	847.16	283.91	212.54
Prior Period Items		-	-	-	-
Profit before tax		751.37	847.16	283.91	212.54
Tax expense:	4.5				
Current tax		194.82	212.22	70.89	60.15
Deferred tax		-0.38	-0.29	-0.10	0.63
Profit/(loss) for the period from continuing operations		556.93	635.23	213.12	151.76
Profit/(loss) from discontinuing operations		-	-	-	-
Tax expense of discontinuing operations		-	-	-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-	-	-
Profit/(loss) for the period		556.93	635.23	213.12	151.76
Earnings per equity share:	4.6				
Basic		9.55	10.90	4.27	3.04
Diluted		9.55	10.90	4.27	3.04

**In terms of our attached report of even date**
**For Aslot and Associates**
**Chartered Accountants**
**FRN: 0146025W**
**Sd/-**
**Ishan Aslot**
**(Proprietor)**
**Director)**
**M. No.: 180986**
**Place: Surat**
**Date: 16 April, 2024**
**UDIN: 24180986BKFFVB8674**
**Secretary)**
**For HP Telecom India Limited**
**Sd/-**
**Vijay Lalsing Yadav**
**(Managing Director)**
**DIN:01990164**
**Sd/-**
**Hemant Jethwa**
**(Chief Financial Officer) (Company**
**Sd/-**
**Seema Vijay Yadav**
**(Whole-time**
**DIN:02008064**
**Sd/-**
**Barkha Jain**
**(Company**

## Annexure 3 Restated Cash Flow Statement

(in 'Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Cash Flow from Operating Activities</b>				
Net Profit Before Tax	751.37	847.16	283.91	212.54
<b>Adjustment For:</b>				
Depreciation	5.39	5.24	3.35	2.88
Gain or loss of Sale on Fixed Assets	0.05	0.00	0.00	0.00
Gain or loss of Investment	0.00	-16.63	-31.95	-6.00
Finance Cost	609.00	432.92	207.72	143.92
Other adjustment to reconcile Profit	0.00	-39.00	0.00	0.69
<b>Total Adjustment to profit and loss (A)</b>	<b>614.44</b>	<b>382.53</b>	<b>179.12</b>	<b>141.49</b>
<b>Changes in Working capital</b>				
Adjustment for (Increase)/Decrease in Inventories	-4065.86	-1016.47	-340.69	-83.09
Adjustment for (Increase)/Decrease in Trade Receivables	-739.32	-19.38	-915.63	-135.13
Adjustment for (Increase)/Decrease in Other Current Assets	-768.58	-21.25	14.02	-3.51
Adjustment for Increase/(Decrease) in Trade Payable	-791.34	625.91	467.43	254.48
Adjustment for Increase/(Decrease) in Other Current Liabilities	-38.51	-3.40	-83.24	-172.92
Adjustment for Increase/(Decrease) in Provisions	85.28	142.43	3.09	39.19
<b>Total Adjustment for Working Capital (B)</b>	<b>-6318.33</b>	<b>-292.16</b>	<b>-855.02</b>	<b>-100.98</b>
<b>Total Adjustment to reconcile profit (A+B)</b>	<b>-5703.89</b>	<b>90.37</b>	<b>-675.90</b>	<b>40.51</b>
<b>Net Cash flow from (Used in) operation</b>	<b>-4952.52</b>	<b>937.53</b>	<b>-391.99</b>	<b>253.05</b>
Income Tax Paid/ Refund	-194.82	-212.22	-70.89	-60.15
<b>Net Cash flow from (Used in) operation before Extra-Ordinary Items</b>	<b>-5134.86</b>	<b>725.31</b>	<b>-462.88</b>	<b>192.90</b>
Proceeds from Extra Ordinary Items				
Payment for Extra Ordinary Item				
<b>Net Cash flow from operating Activities</b>	<b>-5134.86</b>	<b>725.31</b>	<b>-462.88</b>	<b>192.90</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from sale of Fixed Assets	5.00	0.00	0.00	0.00
Proceeds from Investment or Equity Instruments	0.00	1776.58	17.46	45.00
Purchase of Fixed Assets	50.95	16.68	36.99	10.94
Purchase Of Investments or Equity Instruments	0.00	2344.51	167.46	0.00
Other Inflow/Outflow of Cash	0.00	39.00	0.00	0.00
<b>Net Cash flow from (Used in) in Investing Activities before Extra-Ordinary Items</b>	<b>-45.95</b>	<b>-545.61</b>	<b>-186.99</b>	<b>34.06</b>
Proceeds from Extra Ordinary Items				
Payment for Extra Ordinary Item				
<b>Net Cash flow from (Used in ) in Investing Activities</b>	<b>-45.95</b>	<b>-545.61</b>	<b>-186.99</b>	<b>34.06</b>
<b>Cash Flows from Financial Activities</b>				
Proceeds From Issuing Shares	0.00	0.00	199.99	0.00
Proceeds From Borrowing	5856.01	3479.30	0.00	342.06
Repayment Of Borrowing	0.00	0.00	174.50	0.00
Interest Paid	609.00	432.92	207.72	143.92
<b>Net Cash flow from (Used in ) in Financial Activities before Extra Ordinary Items</b>	<b>5247.01</b>	<b>3046.38</b>	<b>-182.23</b>	<b>198.14</b>
Proceeds from Extra Ordinary Items				
Payment for Extra Ordinary Item				
<b>Net Cash flow from (Used in ) in Financial Activities</b>	<b>5247.01</b>	<b>3046.38</b>	<b>-182.23</b>	<b>198.14</b>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>66.20</b>	<b>3226.07</b>	<b>-832.10</b>	<b>425.10</b>
Effect of exchange rate change on cash and cash equivalents				
<b>Net increase (decrease) in cash and cash</b>	<b>66.20</b>	<b>3226.07</b>	<b>-832.10</b>	<b>425.10</b>

<b>equivalents</b>				
Cash and cash equivalents at beginning of period	3615.47	389.40	1221.50	796.40
<b>Cash and cash equivalents at end of period</b>	<b>3681.67</b>	<b>3615.47</b>	<b>389.40</b>	<b>1221.50</b>

**Notes:**

- 1) Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts and payments.
- 2) The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

In terms of our attached report of even date

**For Aslot and Associates**  
**Chartered Accountants**  
**FRN : 0146025W**

**For HP Telecom India Limited**

Sd/-  
**Ishan Aslot**  
**(Proprietor)**  
**M. No.: 180986**

Sd/-  
**Vijay Lalsing Yadav**  
**(Managing Director) (Whole-time Director)**  
**DIN:01990164**

Sd/-  
**Seema Vijay Yadav**  
**(Managing Director) (Whole-time Director)**  
**DIN:02008064**

**Place: Surat**  
**Date: 16 April, 2024**  
**UDIN: 24180986BKFFVB8674**

Sd/-  
**Hemant Jethwa**  
**(Chief Financial Officer)**

Sd/-  
**Barkha Jain**  
**(Company Secretary)**

**NOTES ON ACCOUNTS**

**2.1 Share Capital**

(₹in Lakhs)

<b>Particulars</b>	<b>As on 31/12/2023</b>	<b>As on 31/03/2023</b>	<b>As on 31/03/2022</b>	<b>As on 31/03/2021</b>
<b>Authorised</b>				
Number of Equity Shares	70.00	70.00	70.00	50.00
Face Value Per Share (Rs.)	10.00	10.00	10.00	10.00
	<b>700.00</b>	<b>700.00</b>	<b>700.00</b>	<b>500.00</b>
<b>Issued</b>				
Number of Equity Shares	58.30	58.30	58.30	49.90
Face Value Per Share (Rs.)	10.00	10.00	10.00	10.00
	<b>583.03</b>	<b>583.03</b>	<b>583.03</b>	<b>499.00</b>
<b>Subscribed</b>				
Number of Equity Shares	58.30	58.30	58.30	49.90
Face Value Per Share (Rs.)	10.00	10.00	10.00	10.00
	<b>583.03</b>	<b>583.03</b>	<b>583.03</b>	<b>499.00</b>
<b>Paidup</b>				
Number of Equity Shares	58.30	58.30	58.30	49.90
Face Value Per Share (Rs.)	10.00	10.00	10.00	10.00
	<b>583.03</b>	<b>583.03</b>	<b>583.03</b>	<b>499.00</b>

**Terms & Rights attached to Equity Shares:**

1. The Company has only one class of share referred to as Equity Shares having a par value of ₹10/- each. Each holder of Equity Shares is entitled to one vote per share. Dividend on such shares is payable in proportion to the paid-up amount. Dividend (if any) recommended by board of directors (other than interim dividend) is subject to approval of the shareholders in the ensuing Annual General Meeting.
2. During the year period 2021-22, company has issued 8,40,340 equity shares at Rs. 23.80/- (Face Value = Rs. 10/- and Security Premium = Rs. 13.80/-).
3. In the original audit report of FY 2022-23, subscribed capital as at 31/03/2023 was shown as 58.30 lakhs owing to a typing error, the same is rectified in the restated financial statements as 583.03 lakhs.
4. In the event of winding up of the company, the holder of Equity Shares will be entitled to receive any of the remaining assets of the company after all preferential amounts and external liabilities are paid in

full. However, no such preferential amount exists currently. The distribution of such remaining assets will be on the basis of number of Equity Shares held and the amount paid up on such shares.

5. The above statement should be read with the Restated Balance Sheet, Restated statement of Profit & Loss, Restated statement of Cashflow, significant accounting policies & notes to the Restated financial information as appearing in annexures 1, 2, 3 & 4 respectively.

**Holding More Than 5%**

Particulars	As on 31/12/2023		As on 31/03/2023		As on 31/03/2022		As on 31/03/2021	
	Number of Share	% Held	Number of Share	% Held	Number of Share	% Held	Number of Share	% Held
Ajay A Mishra	-	-	-	-	900000	15.44	900000	18.04
Seema Yadav	2485255	42.63	2485255	42.63	2485255	42.63	1855000	37.17
Vijay Lalsing Yadav	2935085	50.34	2935085	50.34	2035085	34.90	1825000	36.57

**Reconciliation:**

(in ₹

Lakhs)

Particulars	As on 31/12/2023		As on 31/03/2023		As on 31/03/2022		As on 31/03/2021	
	Number of Share	Amount	Number of Share	Amount	Number of Share	Amount	Number of Share	Amount
Number of shares at the beginning	5830340	583.03	5830340	583.03	4990000	499.00	4990000	499.00
Add: Issue								
Equity shares		-		-	840340	84.03	-	-
Number of shares at the end	5830340	583.03	5830340	583.03	5830340	583.03	4990000	499.00

**Shares held by promoters as at 31/12/2023**

(Equity shares of Rs. 10)

Shares held by promoter at the end of year				% change during the year
SN	Promoters Name	No. of Shares	% of total shares	
1	Vijay Lalsing Yadav	2935085	50.33	-
	<b>Promoters Group:</b>			
2	Seemabahen Vijay Yadav	2485255	42.63	-
3	Bharatlal Lalsingh Singh	170000	2.92	-
4	Krishna L Yadav	140000	2.40	-

**Shares held by promoters as at 31/03/2023**

(Equity shares of Rs. 10)

Shares held by promoter at the end of year				% change during the year
SN	Promoters Name	No. of Shares	% of total shares	
1	Vijay Lalsing Yadav	2935085	50.33	44.22
	<b>Promoters Group:</b>			
2	Seemabahen Vijay Yadav	2485255	42.63	-
3	Bharatlal Lalsingh Singh	170000	2.92	-
4	Krishna L Yadav	140000	2.40	-

**Shares held by promoters as at 31/03/2022**

(Equity shares of Rs. 10)

Shares held by promoter at the end of year				% change during the year
SN	Promoters Name	No. of Shares	% of total shares	
1	Vijay Lalsing Yadav	2035085	34.91	11.51
	<b>Promoters Group:</b>			
2	Seemabahen Vijay Yadav	2485255	42.63	33.98
3	Bharatlal Lalsingh Singh	170000	2.92	-



4	Krishna L Yadav	140000	2.40	-
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**Shares held by promoters as at 31/03/2021**
**(Equity shares of Rs. 10)**

Shares held by promoter at the end of year				% change during the year
SN	Promoters Name	No. of Shares	% of total shares	
1	Vijay Lalsing Yadav	1825000	36.57	-
<b>Promoters Group:</b>				
2	Seemabahen Vijay Yadav	1855000	37.17	-
3	Bharatlal Lalsingh Singh	170000	3.41	-
4	Krishna L Yadav	140000	2.81	-

**2.2 Reserve and Surplus**
**(in ₹ Lakhs)**

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
Revaluation Reserve - Opening	-	130.42	130.42	149.71
Addition	-	-	-	-
Deduction	-	130.42	-	19.29
	<b>0.00</b>	<b>0.00</b>	<b>130.42</b>	<b>130.42</b>
Securities Premium Opening	135.86	135.86	19.90	19.90
Additions	-	-	115.96	0.00
	<b>135.86</b>	<b>135.86</b>	<b>135.86</b>	<b>19.90</b>
Profit and Loss Opening	1332.07	696.84	483.73	331.97
Amount Transferred from Statement of P&L	556.93	635.23	213.12	151.76
	<b>1889.00</b>	<b>1332.07</b>	<b>696.84</b>	<b>483.73</b>
	<b>2024.86</b>	<b>1467.93</b>	<b>963.12</b>	<b>634.05</b>

**Note:**

The above statement should be read with the Restated Balance Sheet, Restated statement of Profit & Loss, Restated statement of Cashflow, significant accounting policies & notes to the Restated financial information as appearing in annexures 1, 2, 3 & 4 respectively.

**2.3 Short Term Borrowings**
**(in ₹ Lakh)**

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Loans repayable on demand</b>				
<b>Banks</b>				
<b>Secured</b>				
SBI (CC) - 1731	5469.80	5491.53	2068.89	2008.47
SBI (GECL) - 9886	99.70	211.82	360.75	445.00
Axis Bank (Inventory Funding) - 8062	2370.43	-6.47	-	-
Axis Bank (Inventory Funding) - 3109	2905.41	-7.75	-	-
SBI (CCECL) - 0565	-	-	11.20	144.44
SBI (OD) - 7836	899.80	-	-	-
<b>Loans and advances from related parties</b>				
<b>Unsecured</b>				
<b>Director &amp; Relatives</b>				
Seema Vijay Yadav	3.71	53.71	4.69	26.29
Vijay Lalsingh Yadav	18.89	68.89	4.18	-
Sangita Bharat Yadav	8.64	58.64	-	-
Bharatlal Lalsingh Singh	8.64	58.64	-	-
	<b>11785.02</b>	<b>5929.01</b>	<b>2449.71</b>	<b>2624.21</b>

**Details of ongoing short-term borrowings from banks:**

Particulars	Sanctioned Amount	Rate of Interest	Primary Security	Collateral Security	Personal Guarantee	Corporate Guarantee
SBI - CC - 1731 SBI - GECL - 9886	5500.00 249.00	10.05% 9.25%	Hypothecation of current assets	<p>(i) Equitable Mortgage over all that Immovable Property of Plot No. 7, Meghna Row House, B/h Maharaja Agrasen Bhavan, Near Chandan Park Society, City Light Road, Surat. Belonging to Mr. Vijay Yadav</p> <p>(ii) Immovable Property of Plot No. 8 Meghna Row House, B/h Maharaja Agrasen Bhavan, Near Chandan Park Society, City Light Road, Surat and residential bungalow constructed thereon. Belonging to Mr. Vijay Yadav.</p> <p>(iii) Equitable Mortgage over all that Immovable Property of Flat No. I-204, second floor of C building known as Pramukh Hills, Village Chharwada, Taluka Pardi, District Valsad, Gujarat. Belonging to Mrs. Seema Yadav.</p> <p>(iv) Commercial Plot bearing survey number: 846/2 (Promulgation new survey no. 5085), all that piece and parcel of non-agricultural land bearing plot no. 002, admeasuring 2841 square meters, situated at Vapi, Valsad, Gujarat. Belonging to Mr. Bharatlal Lalsingh Singh, Mr. Vijay Yadav, Mrs. Sangita Yadav and Mrs. Seema Yadav.</p> <p>(v) Shop No. G/10, ground floor, Bhagwati Ashish-1, opposite Ashok Pan House, City Light Road, Surat. Belonging to HP Telecom India Limited.</p> <p>(vi) Cash collateral in the form of Bank Deposit/Mutual Fund of Rs. 8.01 crores. Belonging to HP Telecom India Limited/Promoters.</p>	(i) Mr. Vijay Yadav (ii) Mrs. Seema Yadav (iii) Mr. Bharatlal Lalsingh Singh (iv) Mrs. Sangita Yadav	N/A
Axis Bank - Inventory	2812.50 2925.00	10.10% 10.10%	NIL	Pledge of FDR of Rs. 17 crores with Bank's Lien	(i) Mr. Vijay Yadav (ii) Mrs. Seema	N/A

Funding - 8062 & 3109				noted thereon.	Yadav (iii) Mr. Bharatlal Lalsingh Singh (iv) Mrs. Sangita Yadav	
SBI - OD - 7836	900.00	7.00%	NIL	FDR 42570060477 of Rs. 10 crores.	N/A	N/A

**Note:** All short-term borrowings are repayable within 12 months

**2.4 Trade Payables  
as at 31/12/2023**

(in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	12.48	-	-	-	-	12.48
(ii) Others	298.75	3.25	-	-	-	302.00
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

**as at 31/03/2023**

(in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-
(ii) Others	1093.34	-	-	-	-	1093.34
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

**as at 31/03/2022**

(in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-
(ii) Others	467.43	-	-	-	-	467.43
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

**as at 31/03/2021**

(in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

**Note:**

- None of the suppliers of materials domiciled in India have passed along a copy of registration certificate as Small and Medium Enterprise (SME) from the Competent authority specified under the Micro, Small & Medium Enterprise Development Act, 2006. Hence in the absence of such registration details, it is presumed that no information of the amount due and interest payable etc U/s. 23 of the said Act is required to be furnished.

2. The period of outstanding of trade payable is from the due date of the transaction and is as per the details provided by the management.

**2.5 Other Current Liabilities:**

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Other payables</b>				
Salaries payable	3.29	-	-	-
Tax Payable				
<b>TDS</b>				
TDS Payable	7.00	11.54	6.60	0.55
TCS Payable	1.34	1.15	0.71	1.86
<b>Bill Payable</b>				
Electricity Expense Payable	-	-	0.18	-
<b>Other Current Liabilities</b>				
Creditor for Expenses	16.67	9.16	1.01	4.56
Scheme and Discount Payable	-	44.97	61.71	146.48
	<b>28.30</b>	<b>66.81</b>	<b>70.21</b>	<b>153.45</b>

**2.6 Short Term Provisions**

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Tax Provision</b>				
Current Tax	194.82	212.22	70.89	60.15
<b>Others</b>				
Audit Fees Payable	2.19	2.50	1.65	0.41
Internal Audit Fees Payable	0.44	0.50	0.25	-
Rent Payable	22.05	-	-	-
Directors' Remuneration Payable	81.00	-	-	9.14
	<b>300.50</b>	<b>215.22</b>	<b>72.79</b>	<b>69.70</b>

**Note:**

The above statement should be read with the Restated Balance Sheet, Restated statement of Profit & Loss, Restated statement of Cashflow, significant accounting policies & notes to the Restated financial information as appearing in annexures 1, 2, 3 & 4 respectively.

**2.7 Tangible assets as at 31/12/2023**

(in ₹ Lakhs)

Particulars	Tangible Assets							
	Residen tial Flat	Office Building	Plant And Machinery	Office Equipment	Computers	Furniture And Fixtures	Motor Vehicl es	Total
<b>GROSS</b>								
Opening as at 01/04/2023	-	110.72	10.23	4.46	3.72	10.46	2.80	142.40
Addition	36.22	-	-	0.03	0.32	14.39	-	50.96
Deduction	-	-	(5.00)	-	-	-	-	(5.0)
Revaluation	-	-	-	-	-	-	-	-
Closing as at 31/12/2023 [A]	<b>36.22</b>	<b>110.72</b>	<b>5.23</b>	<b>4.49</b>	<b>4.04</b>	<b>24.85</b>	<b>2.80</b>	<b>188.36</b>
<b>DEPRECIATION</b>								
Opening as at 01/04/2023	-	-	4.51	1.16	1.84	6.99	2.33	16.84
Addition	-	-	0.53	1.22	1.05	2.48	0.11	5.39
Deduction	-	-	-	-	-	-	-	-
Other adjustment	-	-	0.05	-	-	-	-	0.05
Closing as at 31/12/2023 [B]	-	-	<b>5.09</b>	<b>2.38</b>	<b>2.89</b>	<b>9.46</b>	<b>2.44</b>	<b>22.28</b>

<b>NET</b>								
Closing as at 31/12/2023 [C] = [A] + [B]	<b>36.22</b>	<b>110.72</b>	<b>0.14</b>	<b>2.11</b>	<b>1.15</b>	<b>15.39</b>	<b>0.36</b>	<b>166.08</b>

as at 31/03/2023

(in ₹ Lakhs)

Particulars	Tangible Assets						Total
	Office Building	Plant And Machinery	Office Equipments	Computers	Furniture And Fixtures	Motor Vehicles	
<b>GROSS</b>							
Opening as at 01/04/2022	231.38	10.23	0.81	0.46	10.46	2.80	256.14
Addition	9.76	-	3.66	3.26	-	-	16.68
Deduction	-	-	-	-	-	-	-
Revaluation	(130.42)	-	-	-	-	-	(130.42)
Closing as at 31/03/2023 [A]	<b>110.72</b>	<b>10.23</b>	<b>4.47</b>	<b>3.72</b>	<b>10.46</b>	<b>2.80</b>	<b>142.40</b>
<b>DEPRECIATION</b>							
Opening as at 01/04/2022	-	3.24	0.30	0.21	5.73	2.12	11.60
Addition	-	1.27	0.86	1.63	1.26	0.21	5.23
Deduction	-	-	-	-	-	-	-
Other adjustment	-	-	-	-	-	-	-
Closing as at 31/03/2023 [B]	-	<b>4.51</b>	<b>1.16</b>	<b>1.84</b>	<b>6.99</b>	<b>2.33</b>	<b>16.84</b>
<b>NET</b>							
Closing as at 31/03/2023 [C] = [A] + [B]	<b>110.72</b>	<b>5.72</b>	<b>3.31</b>	<b>1.88</b>	<b>3.47</b>	<b>0.47</b>	<b>125.56</b>

as at 31/03/2022

(in ₹ Lakhs)

Particulars	Tangible Assets						Total
	Office Building	Plant And Machinery	Office Equipments	Computers	Furniture And Fixtures	Motor Vehicles	
<b>GROSS</b>							
Opening as at 01/04/2021	199.28	10.00	0.65	-	6.42	2.80	219.15
Addition	32.10	0.23	0.16	0.46	4.04	-	36.99
Deduction	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Closing as at 31/03/2022 [A]	<b>231.38</b>	<b>10.23</b>	<b>0.81</b>	<b>0.46</b>	<b>10.46</b>	<b>2.80</b>	<b>256.14</b>
<b>DEPRECIATION</b>							
Opening as at 01/04/2021	-	1.71	0.12	-	4.60	1.82	8.25
Addition	-	1.54	0.18	0.21	1.13	0.31	3.37
Deduction	-	-	-	-	-	-	-
Other adjustment	-	-	-	-	-	-	-
Closing as at 31/03/2022 [B]	-	<b>3.24</b>	<b>0.30</b>	<b>0.21</b>	<b>5.73</b>	<b>2.12</b>	<b>11.60</b>
<b>NET</b>							
Closing as at 31/03/2022 [C] = [A] + [B]	<b>231.38</b>	<b>6.99</b>	<b>0.51</b>	<b>0.25</b>	<b>4.73</b>	<b>0.68</b>	<b>244.54</b>

as at 31/03/2021

(in ₹ Lakhs)

Particulars	Tangible Assets						Total
	Office Building	Plant And Machinery	Office Equipments	Computers	Furniture And Fixtures	Motor Vehicles	
<b>GROSS</b>							
Opening as at 01/04/2022	199.28	-	1.55	10.74	11.56	4.13	227.26
Addition	-	10.00	0.65	-	0.29	-	10.94

Deduction	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Closing as at 31/03/2023 [A]	<b>199.28</b>	<b>10.00</b>	<b>2.20</b>	<b>10.74</b>	<b>11.85</b>	<b>4.13</b>	<b>238.20</b>
<b>DEPRECIATION</b>							
Opening as at 01/04/2022	-	-	1.49	10.44	9.17	2.65	23.75
Addition	-	1.71	0.12	-	0.60	0.44	2.87
Deduction	-	-	-	-	-	-	-
Other adjustment	-	-	0.06	0.30	0.27	0.06	0.69
Closing as at 31/03/2023 [B]	-	<b>1.71</b>	<b>1.67</b>	<b>10.74</b>	<b>10.04</b>	<b>3.15</b>	<b>27.30</b>
<b>NET</b>							
Closing as at 31/03/2023 [C] = [A] + [B]	<b>199.28</b>	<b>8.29</b>	<b>0.53</b>	<b>-</b>	<b>1.81</b>	<b>0.98</b>	<b>210.90</b>

**Note:** The Office Building mentioned above is provided as a security against financial facilities from the bank.

### 2.8 Non-current investments

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Investments in Equity Instruments</b>				
<b>Non-trade, Unquoted</b>				
16000 Equity Shares of Rs. 10 Each Fully Paidup in HVC Finance Private Limited	1.6	1.6	0	0
<b>Investments in Mutual Funds</b>				
<b>Non-trade, Quoted</b>				
SBI Mutual Funds	942.91	942.91	359.95	178.00
Market Value	990.28	943.21	365.94	205.73
	<b>944.51</b>	<b>944.51</b>	<b>359.95</b>	<b>178.00</b>

**Note:**

1. The Mutual Funds mentioned above are provided as a security against financial facilities from the banks.
2. Value of Investments in Mutual Funds is recorded at cost.
3. Market value is based on the Mutual Fund Report and NAV as on the respective last date of financial statement provided in it.
4. The above statement should be read with the Restated Balance Sheet, Restated statement of Profit & Loss, Restated statement of Cashflow, significant accounting policies & notes to the Restated financial information as appearing in annexures 1, 2, 3 & 4 respectively.

### 2.9 Deferred Taxes

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Deferred Tax Assets</b>				
Unabsorbed Depreciation	1.89	1.52	1.23	1.13
	<b>1.89</b>	<b>1.52</b>	<b>1.23</b>	<b>1.13</b>

### 3.0 Other non-current assets

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Security Deposits</b>				
Reliance Jio Security Deposit	1.57	1.57	1.57	1.57
Shop Rent Deposit - CG & MP	4.97	-	-	-
Security Deposit - Ahmedabad office	2.20	-	-	-
VAT Gujarat Deposit	0.25	0.25	0.25	0.25
BSNL Deposit	-	-	-	0.01
	<b>8.99</b>	<b>1.82</b>	<b>1.82</b>	<b>1.83</b>

### 3.1 Inventories

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
Stock in Trade	6302.94	2237.08	1220.61	879.92

	6302.94	2237.08	1220.61	879.92
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**Note:** Inventories are provided as a security against financial facilities from the banks.

### 3.2 Trade receivables

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
Trade Receivable				
Unsecured considered good	3067.15	2327.83	2308.45	1392.82

**Note:** Trade Receivables are provided as a security against financial facilities from the banks.

#### Ageing Schedule as on 31/12/2023

(in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	3003.79	24.40	38.96	-	-	3067.15
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

#### Ageing Schedule as on 31/03/2023

(in ₹ Lakhs)

(in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2327.83	-	-	-	-	2327.83
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

#### Ageing Schedule as on 31/03/2022

(in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2208.62	99.83	-	-	-	2308.45
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

## Ageing Schedule as on 31/03/2021

(in ₹

Lakhs)

Particulars	Outstanding for following periods from due date of payment				Not Due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	1392.82	-	-	-	-	1392.82
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

## Notes:

- As per the view of the Management of the Company there is no doubtful debts and hence provision for doubtful debts have not been made.
- Trade Receivables as on 31st December, 2023 has been taken as certified by the Management of the Company.
- The above statement should be read with the Restated Balance Sheet, Restated statement of Profit & Loss, Restated statement of Cashflow, significant accounting policies & notes to the Restated financial information as appearing in annexures 1, 2, 3 & 4 respectively.

## 3.3 Cash and cash equivalents

(in ₹

Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Cash in Hand</b>	0.62	0.19	8.62	8.75
<b>Balances With Banks</b>				
<b>Balance With Scheduled Banks</b>				
Current Account	1334.33	2733.69	10.41	855.80
Deposit Account	2346.65	873.73	370.38	356.95
Other Account	0.07	7.88	-	-
	<b>3681.67</b>	<b>3615.47</b>	<b>389.40</b>	<b>1221.50</b>

## Notes:

- The above statement should be read with the Restated Balance Sheet, Restated statement of Profit & Loss, Restated statement of Cashflow, significant accounting policies & notes to the Restated financial information as appearing in annexures 1, 2, 3 & 4 respectively.
- Balance in Deposit Account above are provided as a security against financial facilities from the b

## 3.5 Other current assets

(in Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
Advance Tax	6.00	38.50	19.50	3.00
Taxes Receivable	32.49	45.82	22.19	14.76
FD Accrued Interest	-	-	2.19	-
GST	733.89	0.45	22.82	45.24
GST Cash Balance (MH)	1.35	1.35	-	-
My Mobile Retail Solution LLP (Rent receivable)	-	3.89	-	-
Rent Receivable	29.25	-	-	-
	<b>802.98</b>	<b>90.01</b>	<b>66.70</b>	<b>63.00</b>

## 3.6 Revenue from operations

(in Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
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<b>Sale of Products</b>				
<b>Traded Goods</b>				
Sale of Goods	75881.78	63750.83	29204.03	23665.40
	<b>75881.78</b>	<b>63750.83</b>	<b>29204.03</b>	<b>23665.40</b>

### 3.7 Other income

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Interest</b>				
Interest on FD	53.12	40.64	17.36	21.07
Interest on VAT Refund	-	-	1.96	-
<b>Profit (Loss) on Redemption / Sale of Investment &amp; Property, Plant and Equipment (Net)</b>				
Gain on Mutual Fund	-	16.63	31.95	7.00
<b>Miscellaneous</b>				
Vatav Kasar	0.02	0.08	0.10	-
Rent Income	29.25	39.00	-	-
Scheme and Discount (Non-GST)	1286.10	-	-	-
	<b>1368.49</b>	<b>96.35</b>	<b>51.37</b>	<b>28.07</b>

**Note:**

- Gains on mutual funds for FY 2020–21 and FY 2021–22 were not recognised in the statement of profit and loss of the original financial statement however, tax liability arising from the same was duly paid on time. The inclusion of gains from mutual funds is done in the restated financial statements.
- During the nine-month period ending December 31, 2023, the company has witnessed a sudden spike in other income, which is largely due to the “Scheme and Discount (Non-GST)” income. During Q2 and Q3 of the said period, Apple Inc. suddenly dropped the prices of several products. To compensate the distributor (the company), Redington (India) Limited and Ingram Micro India Private Limited, who are the company's suppliers and super distributors of Apple Inc., issued credit notes of Rs. 739.68 lakhs to the company, and the same has resulted in a fall in closing stock of the company by such an amount.
- The remaining scheme and discount/credit note consist of routine incentives and discounts given by the super distributors to the company.
- Owing to the growth in sales of the company vis-à-vis the previous year of Rs. 28068.66 lakhs, the company has been able to procure better incentives and discounts during the 9-month period ended December 31, 2023.

### 3.8 Purchases of Stock-in-Trade

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Stock in Trade</b>				
Purchase	79493.02	63118.80	28684.25	23059.79
	<b>79493.02</b>	<b>63118.80</b>	<b>28684.25</b>	<b>23059.79</b>

### 3.9 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Opening</b>				
Stock in Trade	2237.08	1220.61	879.92	796.83
	<b>2237.08</b>	<b>1220.61</b>	<b>879.92</b>	<b>796.83</b>
<b>Closing</b>				
Stock in Trade	6302.94	2237.08	1220.61	879.92
	<b>6302.94</b>	<b>2237.08</b>	<b>1220.61</b>	<b>879.92</b>
<b>Increase/Decrease</b>				
Stock in Trade	-4065.86	-1016.47	-340.69	-83.09
	<b>-4065.86</b>	<b>-1016.47</b>	<b>-340.69</b>	<b>-83.09</b>

### Details of Changes in Inventory

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Stock in Trade</b>				

Stock in Trade	-4065.86	-1016.47	-340.69	-83.09
	<b>-4065.86</b>	<b>-1016.47</b>	<b>-340.69</b>	<b>-83.09</b>

#### 4.0 Employee benefits expense

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Salary, Wages &amp; Bonus</b>				
Manpower Expense	187.95	226.46	202.83	131.71
	<b>187.95</b>	<b>226.46</b>	<b>202.83</b>	<b>131.71</b>

#### 4.1 Finance costs

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Interest Expenses</b>				
<b>Interest Expenses</b>				
Bank Interest	609.00	432.92	207.72	143.92
<b>Bank Charges</b>				
Bank Charges	3.74	34.59	14.34	8.21
<b>Finance Charges</b>				
<b>Other Finance Charges</b>				
Bank Stamping Expense	0.44	19.43	30.48	0.00
	<b>613.18</b>	<b>486.94</b>	<b>252.54</b>	<b>152.13</b>

#### 4.2 Depreciation and amortisation expense

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Depreciation &amp; Amortisation</b>				
Depreciation Tangible Assets	5.39	5.24	3.35	2.88
	<b>5.39</b>	<b>5.24</b>	<b>3.35</b>	<b>2.88</b>

#### 4.3 Other expenses

(in ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Administrative and General Expenses</b>				
<b>Telephone Postage</b>				
Telephone Expenses	0.04	0.08	0.06	0.07
<b>Printing Stationery</b>	1.94	1.21	1.49	0.68
<b>Rent Rates And taxes</b>				
Rent	28.90	39.43	22.83	3.47
Rates and Taxes	17.63	3.17	6.27	11.04
Municipal Tax	0.02	1.47	1.08	0.69
Interest on TDS	-	0.08	0.02	0.21
GST late fee and interest	3.59	0.20	-	-
Professional Tax	-	-	-	0.11
<b>Auditors Remuneration</b>				
Audit Fees	0.94	1.25	1.25	0.40
Other Consultancy Fees	0.18	0.25	0.25	-
<b>Managerial Remuneration</b>				
Salary To Director	81.00	12.00	27.00	40.00
<b>Repairs Maintenance Expenses</b>				
Plant & Machinery	-	-	-	0.16
Repair and Maintenance	13.14	43.73	46.69	16.41
Vehicle Repairing	-	0.09	0.33	0.08
Computer Repairing	0.56	0.39	0.19	-
Electricity Expenses	2.18	3.09	2.06	1.27
Travelling Conveyance	33.61	24.21	9.46	0.12
<b>Legal and Professional Charges</b>				
Legal Expenses	7.00	1.68	1.39	7.00

Contractual Management Service Exp	13.25	10.00	-	-
Insurance Expenses	5.83	7.21	7.86	4.17
<b>Vehicle Running Expenses</b>				
Fuel Expenses	0.87	1.47	1.64	1.09
<b>Information Technology Expenses</b>				
Software expenses	2.66	-	-	-
<b>Registration and Filing Fees</b>				
ROC Expenses	-	-	3.00	0.02
<b>Other Administrative and General Expenses</b>				
Internet Expense	0.32	0.28	0.19	0.24
Office Expenses	4.78	8.50	4.82	3.55
Packing Material Expenses	-	-	-	3.74
Miscellaneous Expenses	-	-	-	0.53
Card swiping charges	3.75	-	-	-
Account Maintenance Contract	2.00	-	-	-
<b>Selling Distribution Expenses</b>				
<b>Advertising Promotional Expenses</b>				
Advertisement Expense	0.28	2.01	1.15	1.11
Business Promotion Expenses	4.07	0.92	-	-
<b>Transportation Distribution Expenses</b>				
Transportation	28.83	12.53	9.43	6.13
<b>Other Selling Distribution Expenses</b>				
Food & Stay Expenses	1.09	1.46	2.55	-
Commission paid	6.71	-	-	-
Scheme and Discount	-	2.34	27.82	113.44
Discount	-	-	-	0.04
<b>Write off Assets and Liabilities</b>				
<b>Sundry Expenses Written Off</b>				
Preliminary Expenses Written off	-	-	-	0.05
<b>Other Expenses</b>				
Long Term Loss on Sale of Equity Shares	-	-	-	1.00
Loss on Sale of Tangible Fixed Asset	0.05	-	-	-
Assets Written off	-	-	-	0.69
	<b>265.22</b>	<b>179.05</b>	<b>178.83</b>	<b>217.51</b>

**Notes:**

1. The above statement should be read with the Restated Balance Sheet, Restated statement of Profit & Loss, Restated statement of Cash flow, significant accounting policies & notes to the Restated financial statements as appearing in annexures 1, 2, 3 & 4 respectively.
2. Insurance expenses are disclosed in the fiscal year in which the premium is paid.
3. Expense towards auditor's remuneration was not recognised in the original financial statements, inclusion of the same is done in the restated financial statements.

**4.4 Extraordinary Items**

(In ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Other</b>				
VAT Refund	0.00	0.00	9.62	0.00
	<b>0.00</b>	<b>0.00</b>	<b>9.62</b>	<b>0.00</b>

**4.5 Tax Expenses**

(In ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Current tax</b>				
Current Tax	194.82	212.22	70.89	60.15
<b>Deferred tax</b>				
Deferred Tax	-0.38	-0.29	-0.10	0.63
	<b>194.44</b>	<b>211.93</b>	<b>70.79</b>	<b>60.78</b>

#### 4.6 Earnings per equity share

(In ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Profit attributable to equity holders of the company ( in Lakhs )</b>				
Weighted average number of equity shares (no's)	5830340.00	5830340.00	4994605	4990000.00
Earning per share (Basic)	9.55	10.90	4.27	3.04
Earning per share (Diluted)	9.55	10.90	4.27	3.04
Face vale per equity share (Rs.)	10.00	10.00	10.00	10.00

#### Notes:

- Basic EPS has been calculated as per the following formula,  

$$\text{Basic EPS (Rs.)} = \frac{\text{Net profit/(loss) as restated, attributable to Equity Shareholder}}{\text{Weighted average number of equity shares}}$$
- Diluted EPS has been calculated as per the following formula,  

$$\text{Diluted EPS (Rs.)} = \frac{\text{Net profit/(loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of equity shares}}$$
- "Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 "Earnings per Share", notified under section 133 of Companies Act, 2013 read together with paragraph 7 of Companies (Accounting) Rules, 2014.

#### Adjustment made in Restated Financial Information

##### Adjustment having impact on profit

(In ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Profit as per audited financials</b>	<b>751.37</b>	<b>851.43</b>	<b>250.11</b>	<b>217.67</b>
<b>Adjustment for:</b>				
Audit Fees	-	-1.25	-1.25	-0.40
Internal Audit Fees	-	-0.25	-0.25	-
Gains from sale of investment in Mutual Funds	-	-	31.95	7.00
Legal Expense	-	0.40	-	-
Rates and Taxes	-	-3.17	-6.27	-11.04
Assets Written off	-	-	-	-0.69
<b>Profit as per restated financial statement</b>	<b>751.37</b>	<b>847.16</b>	<b>274.29</b>	<b>212.54</b>

#### Reconciliation of Reserves and Surplus

(In ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Reserves and Surplus as per audited financials</b>	<b>2,024.86</b>	<b>1,470.13</b>	<b>944.84</b>	<b>646.35</b>
<b>Adjustment for:</b>				
Revaluation Reserve	-	-	(19.29)	(19.29)
Opening of Profit	-	37.57	6.99	-
Profit	-	(39.77)	34.22	(4.74)
Sundries	-	-	(3.63)	11.73
VAT	-	-	(9.62)	-
<b>Reserves and Surplus as per restated financial information</b>	<b>2,024.86</b>	<b>1,467.93</b>	<b>963.12</b>	<b>634.05</b>

#### Statement of Tax Shelter

(In ₹ Lakhs)

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
<b>Profit before tax, as restated (A)</b>	<b>751.37</b>	<b>847.16</b>	<b>283.91</b>	<b>212.54</b>
Tax rate (%) (B)	25.17%	25.17%	27.82%	27.82%

<b>Tax expense at nominal rate [C=(A*B)]</b>	189.10	213.21	78.98	59.13
<b>Adjustments:</b>				
<b>Permanent Differences</b>				
Addition under section 28 to 44DA	21.22	6.62	-3.34	12.94
Income under Capital Gain	-	-	-31.95	-7.00
Standard Deduction u/s 24(a)	-	-11.70	-	-
<b>Total Permanent Difference (D)</b>	<b>21.22</b>	<b>-5.08</b>	<b>-35.29</b>	<b>5.94</b>
<b>Timing Differences</b>				
Depreciation difference as per books and as per tax	1.50	1.13	0.37	-2.27
<b>Total Timing Difference (E)</b>	<b>1.50</b>	<b>1.13</b>	<b>0.37</b>	<b>-2.27</b>
<b>Net Adjustment (F) = (D+E)</b>	<b>22.72</b>	<b>-3.95</b>	<b>-34.92</b>	<b>3.68</b>
<b>Tax Impact of adjustments (G) = (F*B)</b>	<b>5.72</b>	<b>-0.99</b>	<b>-9.71</b>	<b>1.02</b>
<b>Effect of Capital Gain/Loss</b>				
<b>Brought Forward Loss (Capital Gain/Loss)</b>	-	-	16.27	-
<b>Current Year Capital Gain</b>	-	-	31.86	1.67
<b>Current Year Capital Loss</b>	-	-	-	17.94
<b>Carried Forward Loss (Capital Gain/Loss)</b>	-	-	-	16.27
<b>Net Effect of Capital Gain (H)</b>	<b>0.00</b>	<b>0.00</b>	<b>14.59</b>	<b>0.00</b>
<b>Tax Impact of Net Effect of Capital Gain (I) = (H*Applicable Capital Gain Tax Rate)</b>	<b>0.00</b>	<b>0.00</b>	<b>1.62</b>	<b>0.00</b>
<b>Total Tax Impact (J) = (G+I)</b>	<b>5.72</b>	<b>-0.99</b>	<b>-8.09</b>	<b>1.02</b>
<b>Tax expenses (Normal Tax Liability) (K) = (C+J)</b>	<b>194.82</b>	<b>212.22</b>	<b>70.89</b>	<b>60.15</b>
<b>Minimum Alternate Tax (MAT)</b>				
Income as per MAT	N/A	N/A	280.55	224.27
Less: Business Loss or Unabsorbed Depreciation whichever is lower	N/A	N/A	-	-
Net Income as per MAT	N/A	N/A	280.55	224.27
<b>Tax as per MAT (I)</b>	<b>N/A</b>	<b>N/A</b>	<b>46.83</b>	<b>37.43</b>
<b>Tax Expenses (J) = (H) or (I) whichever is higher</b>	<b>194.82</b>	<b>212.22</b>	<b>70.89</b>	<b>60.15</b>
<b>Tax paid as per "MAT" or "Normal" provision</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>

**Notes:**

1. The above statement is in accordance with Accounting Standard 22, "Accounting for Taxes on Income" prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended)
2. Statutory tax rate includes surcharge, Health and Education Cess of the year concerned.
3. The above statement should be read with the Restated Balance Sheet, Restated statement of Profit & Loss, Restated statement of Cashflow, significant accounting policies & notes to the Restated financial information as appearing in annexures 1, 2, 3 & 4 respectively.

**Restated Statement of Capitalization**

(In ₹ Lakhs)

<b>Particulars</b>	<b>Pre-IPO</b>	<b>Post-IPO</b>
<b>Debt</b>		
Short Term Debt	11,785.02	11,785.02
Long Term Debt	-	-
<b>Total Debt</b>	<b>11,785.02</b>	<b>11,785.02</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	583.03	-
Reserves and Surplus	2,024.86	-
<b>Total Shareholders' Fund (Equity)</b>	<b>2,607.89</b>	<b>-</b>
<b>Long Term Debt/Equity</b>	<b>-</b>	<b>-</b>
<b>Total Debt/Equity</b>	<b>4.52</b>	<b>-</b>

**Notes:**

1. Short term debts represents the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.

2. Long term debts represents debts other than short term debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/03/2023.

**Accounting Ratios**

**(In ₹ Lakhs)**

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
Net Profit	556.93	635.23	213.12	151.76
No. of shares	58,30,340	58,30,340	49,94,605	49,90,000
EPS (in Rs.)	9.55	10.90	4.27	3.04
Net Worth	2,607.89	2,050.96	1,546.16	1,133.05
NAV per share	44.73	35.18	30.96	22.71
EBIDTA	1,365.76	1,285.32	485.36	359.34
EBIDTA %	1.80%	2.02%	1.66%	1.52%
RoNW	21.36%	30.97%	13.78%	13.39%

**In terms of our attached report of even date**

**For Aslot and Associates**

**Chartered Accountants**

**FRN: 0146025W**

**Sd/-**

**Ishan Aslot**

**(Proprietor)**

**Director)**

**M. No.: 180986**

**Place: Surat**

**Date: 16 April, 2024**

**UDIN: 24180986BKFFVB8674**

**For HP Telecom India Limited**

**Sd/-**

**Vijay Lalsing Yadav**

**(Managing Director)**

**DIN:01990164**

**Sd/-**

**Hemant Jethwa**

**(Chief Financial Officer) (Company Secretary)**

**Sd/-**

**Seema Vijay Yadav**

**(Whole-time**

**DIN:02008064**

**Sd/-**

**Barkha Jain**

## **Significant Accounting Policy and Notes to the Restated Financial Information**

### **Annexure-4**

#### **A. Background of the Company**

The company was originally incorporated as a private limited company under the name HP Telecom India Private Limited, domiciled in India under the provisions of the Companies Act, 1956, and is now governed by the Provisions of Companies Act, 2013. Subsequently, the company was converted from a private limited company to a public limited company, and the name of the company was changed to “HP Telecom India Limited,” with Company Incorporation No. (CIN) U51395GJ2011PTC064616. The company was incorporated in 2011 and is engaged in the trading of mobile phones and accessories.

#### **B. Significant Accounting Policies & Notes on Accounts**

##### **1. Basis of preparation:**

The financial statements have been prepared in accordance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts Rules), 2014 under historical cost convention on accrual basis.

All the assets and liabilities have been classified as current or non-current as per Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of activities, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classifications of assets and liabilities.

##### **2. Use of estimates:**

The preparation of financial statements is in conformity with Indian GAAP (Generally Accepted Accounting Principles) which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as on the date of the financial statements. The estimates and assumptions made and applied in preparing the financial statements are based upon management’s best knowledge of current events and actions as on the date of financial statements. However, due to uncertainties attached to the assumptions and estimates made actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### **3. Revenue recognition:**

The primary business of the company is to wholesale trade of mobile phones, tablets and other ancillary telecom products. Issuance of CN/DN for passing/receiving the scheme and discount related to goods sold is a general modus operandi of this business. Due to various different schemes for the different product for the different period are received and passed on in such a manner that it is not possible to co-relate which one another.

- (i) Revenue from sale of goods is recognized when significant risk and rewards of ownership of the goods have been passed to the buyer and it is reasonable to expect ultimate collection.
- (ii) Sale of goods is recognized net of GST and other taxes as the same is recovered from customers and passed on to the government.
- (iii) Interest on FD is recognized on the basis of Interest certificate provided by Bank(s).
- (iv) Gain on Mutual Fund is recognized on the basis of Mutual Fund report provided.
- (v) Rental income is recognized when services are rendered.
- (vi) Other items of income and expenses are recognized on an accrual basis.

##### **4. Foreign currency transactions:**

There were no foreign currency transactions made by the company during the period of restated financial statements.

##### **5. Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises the

purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### **6. Tangible Fixed Assets:**

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

#### **7. Intangible Fixed Assets:**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The company does not have any intangible fixed assets.

#### **8. Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### **9. Depreciation and Amortization:**

Depreciation on the fixed assets is provided under WDV method as per the rates prescribed in Schedule II to the Companies Act, 2013 or at rates permissible under applicable local laws so as to charge off the cost of assets to the Statement of Profit and Loss over their estimated useful life.

#### **10. Inventories:**

Stock in consumables, trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale as per income computation and disclosure standard. Closing Stock in terms of quantity as well as in terms of value are taken, valued and certified by the management.

#### **11. Employee Benefits:**

The majority of the employees are on an outsourced-manpower contract basis. During each financial year in the period of restated financial statements (01-04-2020 to 31-12-2023), there are less than 10 employees under the direct payroll of the company. Hence, provisions of the Payment of Gratuity Act, 1972, are not applicable, and therefore no provision for gratuity is made.

The entity that supplies the labour handles the PF and other employee benefit-related compliances of employees on an outsourced-manpower contract basis. Confirmations of timely compliance with the same are taken annually by the management.

#### **12. Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist



of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

### 13. Earnings per share:

The earnings in ascertaining the Company's EPS comprises the net profit after tax attributable to equity shareholders and includes the post-tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax attributable to Equity Shareholders (including the post-tax effect of extra ordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period.

### 14. Taxation:

- Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India determined in accordance with the provisions of the Income Tax Act, 1961.
- Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.
- Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In the situations where the Company is entitled to a tax holiday under the Income realized against future taxable profits. In the situations where the Company is entitled to a tax holiday under the Income tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.
- At each balance sheet date, the Company re-assessed recognized and unrecognized deferred tax assets. The Company writes- down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Company recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The movement of deferred tax account is as follows:	2023-24 (Rs. In Lacs)	2022-23 (Rs. In Lacs)	2021-22 (Rs. In Lacs)	2020-21 (Rs. In Lacs)
Opening balance of deferred tax assets	1.52	1.23	1.13	1.76
Provision for the current year deferred tax assets/(liabilities)	0.37	0.29	0.10	(0.63)
Closing balance of deferred tax assets	<b>1.89</b>	<b>1.52</b>	<b>1.23</b>	<b>1.13</b>

## 15. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

## 16. Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably; the Company does not recognize a contingent liability but discloses its existence in the financial statements.

## 17. Contingent assets:

Contingent assets are neither recognized nor disclosed in the financial statements.

## 18. Cash and cash equivalent:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and interest-bearing deposits with banks and other institutes.

## 19. Revaluation Reserve:

Revaluation Reserve created in FY 2019-20 has been reversed during the year FY 2022-23 in the original financial statement as per the following particulars:

<b>The movement in revaluation reserve account is as follows:</b>	<b>Amount (Rs. In Lacs)</b>
Opening Balance of Revaluation Reserve	149.71
Reversal of Revaluation Reserve to the extent created in relation to Mutual Fund that are redeemed and Office Buildings.	(149.71)
Closing Balance of Revaluation Reserve	00.00

However, in the restated financial statements, the revaluation reserve has been reversed in parts in FY 2020-21 and FY 2022-23, bringing the value of investment in mutual funds and the value of office buildings at cost, respectively.

## 8. Related party disclosures as required by AS-18 "Related Party Transaction" are given below:

<b>Description of relationship</b>	<b>Name of related party</b>
Key Managerial Personal	Vijay Yadav
	Seema Yadav
Associates	HV Connecting Infra India Pvt. Ltd.
	Telecom Merchants
	My Mobile Retail Solution LLP
	Communication Merchants
Relative of Key Managerial Personal	Bharatlal Lalsingh Singh
	Sangita Yadav

### Details of transaction with related party mentioned in above point:

<b>F. Y. 2023-24 (up to 31/12/2023)</b>				
<b>Name</b>	<b>Relation</b>	<b>Transaction Type</b>	<b>Amount (In Rs. Lacs)</b>	<b>O/s Balance Dr/ (Cr) (In Rs. Lacs)</b>
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Purchase	890.51	1558.62
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Sale	1067.51	646.68

HV Connecting Infra India Pvt. Ltd.	Sister Concern	Rent Income	13.50	13.50
Telecom Merchant	Sister Concern	Purchase	142.82	1334.84
Telecom Merchant	Sister Concern	Sale of Fixed Asset	5.00	5.90
Telecom Merchant	Sister Concern	Rent Income	3.60	3.60
Telecom Merchant	Sister Concern	Sale	875.19	161.40
Communication Merchant	Sister Concern	Purchase	248.66	0.00
Communication Merchant	Sister Concern	Expense	170.04	-6.96
Communication Merchant	Sister Concern	Rent Income	5.63	5.63
Communication Merchant	Sister Concern	Sale	10317.95	51.46
Seema Yadav	Director	Director Remuneration	36.00	-36.00
Vijay Yadav	Director	Director Remuneration	45.00	-45.00
Seema Yadav	Director	Rent Expenses	2.03	-2.03
Vijay Yadav	Director	Rent Income	3.83	3.83
Vijay Yadav	Director	Rent Expenses	3.83	-3.83
Bharatlal Lalsingh Singh	Relative of Director	Unsecured Loan	0.00	-8.64
Sangita Yadav	Relative of Director	Unsecured Loan	0.00	-8.64
Seema Yadav	Director	Unsecured Loan	33.97	-3.71
Vijay Yadav	Director	Unsecured Loan	332.46	-18.89

**F. Y. 2022-23**

Name	Relation	Transaction Type	Amount (In Rs. Lacs)	O/s Balance Dr/ (Cr) (in Rs. Lacs)
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Purchase	950.78	176.17
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Rent Expenses	21.60	0.00
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Rent Income	18.00	0.00
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Sale	2945.43	0.00
My Mobile Retail Solution LLP	Sister Concern	Purchase	96.95	0.00
My Mobile Retail Solution LLP	Sister Concern	Rent Income	3.60	3.89
My Mobile Retail Solution LLP	Sister Concern	Sale	1687.68	0.00
Telecom Merchant	Sister Concern	Purchase	37.83	0.01
Telecom Merchant	Sister Concern	Rent Income	4.80	0.00
Telecom Merchant	Sister Concern	Sale	12.95	0.00
Communication Merchant	Sister Concern	Purchase	858.97	0.00
Communication Merchant	Sister Concern	Expense	199.22	0.00
Communication Merchant	Sister Concern	Rent Income	7.50	0.00
Communication Merchant	Sister Concern	Sale	1235.58	0.00
Seema Yadav	Director	Director Remuneration	6.00	0.00
Vijay Yadav	Director	Director Remuneration	6.00	-2.04
Seema Yadav	Director	Rent Expenses	2.70	0.00
Vijay Yadav	Director	Rent Income	5.10	0.00
Vijay Yadav	Director	Rent Expenses	5.10	0.00
Bharatlal Lalsingh Singh	Relative of Director	Unsecured Loan	58.64	-58.64
Sangita Yadav	Relative of Director	Unsecured Loan	58.64	-58.64
Seema Yadav	Director	Unsecured Loan	86.64	-53.71
Vijay Yadav	Director	Unsecured Loan	202.13	-68.89

**F. Y. 2021-22**

Name	Relation	Transaction Type	Amount (In Rs. Lacs)	O/s Balance Dr/ (Cr) (in Rs. Lacs)
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Purchase	815.14	44.37

HV Connecting Infra India Pvt. Ltd.	Sister Concern	Sale	1116.62	-0.62
My Mobile Retail Solution LLP	Sister Concern	Purchase	203.22	-0.08
My Mobile Retail Solution LLP	Sister Concern	Sale	186.28	100.01
Telecom Merchant	Sister Concern	Purchase	251.21	-177.68
Telecom Merchant	Sister Concern	Sale	88.06	0.01
Communication Merchant	Sister Concern	Purchase	41.09	-29.51
Communication Merchant	Sister Concern	Expense	135.62	0.00
Communication Merchant	Sister Concern	Sale	357.27	385.33
Seema Yadav	Director	Director Remuneration	12.00	0.00
Vijay Yadav	Director	Director Remuneration	15.00	0.00
Seema Yadav	Director	Rent Expenses	8.70	0.87
Vijay Yadav	Director	Rent Expenses	5.10	0.51
Bharatlal Lalsingh Singh	Relative of Director	Salary	20.00	0.00
Seema Yadav	Director	Unsecured Loan	65.85	-4.69
Vijay Yadav	Director	Unsecured Loan	90.47	-4.18
Seema Yadav	Director	Share Capital	150.00	0.00
Vijay Yadav	Director	Share Capital	50.00	0.00
<b>F. Y. 2020-21</b>				
Name	Relation	Transaction Type	Amount (In Rs. Lacs)	O/s Balance Dr/ (Cr) (in Rs. Lacs)
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Purchase	228.14	0.00
HV Connecting Infra India Pvt. Ltd.	Sister Concern	Sale	261.86	0.01
My Mobile Retail Solution LLP	Sister Concern	Sale	3.99	0.00
Telecom Merchant	Sister Concern	Purchase	2.62	0.00
Telecom Merchant	Sister Concern	Purchase of Fixed Assets	0.56	0.00
Telecom Merchant	Sister Concern	Sale	7.60	0.00
Communication Merchant	Sister Concern	Purchase	23.60	0.00
Communication Merchant	Sister Concern	Expense	78.44	0.00
Communication Merchant	Sister Concern	Sale	415.44	437.61
Seema Yadav	Director	Director Remuneration	10.00	-9.14
Vijay Yadav	Director	Director Remuneration	30.00	0.00
Bharatlal Lalsingh Singh	Relative of Director	Salary	10.00	0.00
Sangita Yadav	Relative of Director	Salary	7.00	0.00
Bharatlal Lalsingh Singh	Relative of Director	Unsecured Loan	8.20	0.00
Sangita Yadav	Relative of Director	Unsecured Loan	26.34	0.00
Seema Yadav	Director	Unsecured Loan	57.00	-26.30
Vijay Yadav	Director	Unsecured Loan	55.75	0.00

**Other Statutory Disclosures:**

- (a) The company was selected for faceless assessment for AY 2022-23 via DIN and Letter No. ITBA/AST/S/61/2023-24/1053412841(1) dated June 1, 2023. The proceedings were concluded on March 21, 2024. The order was passed with a demand of Rs. 94,050/-, which has been duly accepted with no intention to appeal and paid by the company as of date.
- (b) The company received a show cause notice under Section 73 of the GST Acts, 2017 through Form GST DRC-01 on December 27, 2023. The proceedings are ongoing, and there is no final order as of date.
- (c) The Company does not have lease liability and hence no reporting related to the same has been made.
- (d) There has been no revaluation to Property, Plant and Equipment.

- (e) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (f) The Company holds all the title deeds of immovable property in its name.
- (g) The Company has not granted any loans or advances to promoter, director, KMP in nature of loan during the year.
- (h) The company has been sanctioned working capital from the State Bank of India on the basis of security of current assets. As informed by the management the company has filed quarterly statements with the bank. On the basis of the explanations received, we are of the opinion that such records are not reconciled with audited financial statement because of provisional nature of details submitted to the bank or financial institution. In the normal course of business, quarterly data submitted by the company are of provisional nature only and on the basis of which physical stock audit has been undertaken by the lending bank and financial institution.
- (i) The Company is not declared willful defaulter by bank or financial institution or any other lender.
- (j) The Company has not applied for any scheme of arrangement under Sections 230 to 237 of Companies Act, 2013.
- (k) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (l) The Company have not traded or invested in Crypto Currency or Virtual Currency during the period/year.
- (m) The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961,
- (n) The Company does not have number of layer of Companies as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (o) The company has not made any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (p) The company is covered under the provisions of section 135 of the Companies Act, 2013 for Corporate Social Responsibility (CSR) from the FY 2023-24. No CSR activities are conducted by the company as on 31-12-2023. The management intends to make impactful contribution towards CSR related activities in the second half of the current financial year.
- (q) None of the suppliers of materials domiciled in India have passed along with the copy of the invoice/bill, a copy of registration certificate as Small and Medium Enterprise (SME) from the competent authority specified under the Micro, Small & Medium Enterprise Development Act, 2006. Hence in the absence of such registration details, it is presumed that no information of the amount due and interest payable etc. u/s. 23 of the said Act is required to be furnished.

(r) Provision for Taxation has been made as follows:

(Rs. In lakhs)

FY 2023-24 (up to 31-12-2023)	FY 2022-23	FY 2021-22	FY 2020-21
194.82	212.22	70.89	60.15

(s) Analytical Ratios:

**Statement showing yearly ratios as on 31-12-2023**

Particulars	Numerator	Denominator	2023-24
Current Ratio	Current Assets	Current Liabilities	1.12
Debt-Equity Ratio	Long term Debt	Shareholder's Funds	-

Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.06
Return on Equity Ratio	Net Earnings	Shareholder Equity	0.21
Inventory Turnover Ratio	Cost of Sales	Average Stock Carried or Inventory	17.66
Trade Receivables Turnover Ratio	Credit Sales	Accounts Receivable	24.74
Trade payables Turnover Ratio	Credit Purchases	Accounts Payable	263.22
Net Capital Turnover Ratio	Sales or Cost of Sales	Net Working Capital	51.05
Net Profit Ratio (%)	Net Operating Profit	Sales	0.73%
Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	0.52
Return on Investment (%)	Net Profit after interest, taxes and preference dividends	Equity capital plus reserves	21.36%

**Note:** Ratios as on 31-12-2023 reflect financial data for the period of 9 months only and therefore it is not reasonable to compare the same with the ratios as on 31-03-2023 as they reflect financial data for the period of 12 months. Therefore, variance and the explanation to such variance is not presented.

**Statement showing yearly ratios as on 31-03-2023**

Particulars	Numerator	Denominator	2021-22	2022-23	Variance	Explanation
Current Ratio	Current Assets	Current Liabilities	1.31	1.13	-13.74%	-
Debt-Equity Ratio	Long term Debt	Shareholder's Funds	-	-	-	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.11	0.14	27.27%	Increase in earnings
Return on Equity Ratio	Net Earnings	Shareholder Equity	0.13	0.31	138.46%	Increase in earnings
Inventory Turnover Ratio	Cost of Sales	Average Stock Carried or Inventory	26.99	35.92	33.09%	Increase in stock
Trade Receivables Turnover Ratio	Credit Sales	Accounts Receivable	12.65	27.39	116.52%	Increase in trade receivables
Trade payables Turnover Ratio	Credit Purchases	Accounts Payable	61.37	57.73	-5.93%	-
Net Capital Turnover Ratio	Sales or Cost of Sales	Net Working Capital	31.11	65.21	109.61%	Increase in sales and inventory
Net Profit Ratio (%)	Net Operating Profit	Sales	0.70%	1.00%	0.30%	-
Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	0.31	0.62	100.00%	Increase in earnings
Return on Investment (%)	Net Profit after interest, taxes and preference dividends	Equity capital plus reserves	13.16%	30.97%	17.81%	-

**Statement showing yearly ratios as on 31-03-2022**

Particulars	Numerator	Denominator	2020-21	2021-22	Variance	Explanation
Current Ratio	Current Assets	Current Liabilities	1.26	1.31	3.97%	-
Debt-Equity Ratio	Long term Debt	Shareholder's Funds	-	-	-	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.08	0.12	50.00%	Increase in earnings

Return on Equity Ratio	Net Earnings	Shareholder Equity	0.13	0.14	7.69%	-
Inventory Turnover Ratio	Cost of Sales	Average Stock Carried or Inventory	27.41	26.99	-1.53%	-
Trade Receivables Turnover Ratio	Credit Sales	Accounts Receivable	16.99	12.65	-25.54%	Increase in trade receivables
Trade payables Turnover Ratio	Credit Purchases	Accounts Payable	-	61.37	-	-
Net Capital Turnover Ratio	Sales or Cost of Sales	Net Working Capital	31.93	31.11	-2.57%	-
Net Profit Ratio (%)	Net Operating Profit	Sales	0.64%	0.73%	0.09%	-
Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	0.31	0.32	3.23%	-
Return on Investment (%)	Net Profit after interest, taxes and preference dividends	Equity capital plus reserves	13.39%	13.78%	0.39%	-

(t) The amount is rounded off to the nearest lacs rupees. Previous year figures have been regrouped or rearranged wherever necessary.

#### Notes on restatement made in the Restated Financials

- 1) The financial statements including financial information have 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 as those appearing in the respective audited financial statements for the relevant years.
- 2) Contingent liabilities and commitments (to the extent not provided for) - A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.
- 3) Figures have been rearranged and regrouped wherever practicable and considered necessary.
- 4) The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
- 5) The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.
- 6) Realizations: In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.
- 7) Contractual liabilities: All other contractual liabilities connected with business operations of the Company have been appropriately provided for.
- 8) Amounts in the financial statements: Amounts in the financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.

In terms of our attached report of even date

**For Aslot and Associates**  
**Chartered Accountants**  
**FRN: 0146025W**

**Sd/-**  
**Ishan Aslot**  
**(Proprietor)**  
**Director)**  
**M. No.: 180986**

**Place: Surat**  
**Date: 16 April, 2024**  
**UDIN: 24180986BKFFVB8674**

**For HP Telecom India Limited**

**Sd/-**  
**Vijay Lalsing Yadav**  
**(Managing Director)**  
**DIN:01990164**

**Sd/-**  
**Seema Vijay Yadav**  
**(Whole-time)**  
**DIN:02008064**

**Sd/-**  
**Hemant Jethwa**  
**(Chief Financial Officer) (Company Secretary)**

**Sd/-**  
**Barkha Jain**

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management’s perspective on our financial condition and results of operations for the period ended on December 31, 2023 and for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “*Risk Factors*” beginning on page 21 of this Draft Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to HP Telecom Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “*Restated Financial Statements*” for period ended on December 31, 2023 and for the Financial Years 2022-23, 2021-22, and 2020-21 included in this Draft Prospectus beginning on page 126 of this Draft Prospectus.

### BUSINESS OVERVIEW

Our company operates as the exclusive distributor of Apple products across significant territories, including Madhya Pradesh & Chhattisgarh, select cities in Uttar Pradesh, and major urban centers in Gujarat. We proudly offer Apple’s iconic range of devices, comprising the iPhone, iPad, Mac, Apple Watch, and more, catering to the discerning tech-savvy consumers in these regions.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

After the date of last financial period i.e. December 31, 2023, there is no any significant development occurred in the Company except mentioned below.

### KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

Our Company’s future results of operations could be affected potentially by the following factors:

1. Changes in Laws and Regulations that apply to our Industry.
2. Changes in Fiscal, Economic or Political conditions in India
3. Company’s continuance of the distributorship of Apple
4. Failure to management of inventory level.
5. Failure to comply with regulations prescribed by authorities of the jurisdiction in which we operate
6. Competition with existing and new entrants

### OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, “Annexure IV” beginning under Chapter titled “Restated Financial Information” beginning on page 126 of the Draft Prospectus.

### Financial performance of the stub period for the period ended on December 31, 2023

(₹ in lakhs)

Income from continuing operations	Amount	%
Revenue from operations	75881.78	98.23
Other Income	1,368.49	1.77
<b>Total Revenue</b>	<b>77,250.27</b>	
<b>Expenses</b>		
Cost of Material Consumed after adjusting the inventory	75427.16	97.64
Employee benefits expense	187.95	0.24
Finance Costs	613.18	0.79
Other expenses	265.22	0.34
Depreciation and amortisation expenses	5.39	0.01



<b>Total Expenses</b>	<b>76,498.90</b>	<b>99.03</b>
<b>Restated profit before tax from continuing operations</b>	<b>751.37</b>	<b>0.97</b>
<b>Total tax expense</b>	<b>194.44</b>	
<b>Restated profit after tax from continuing operations (A)</b>	<b>556.93</b>	<b>0.72</b>
<b>EBDITA</b>	<b>1,365.76</b>	<b>1.80</b>

### Standalone Financial Performance

#### Income from Operations

We are engaged in the distribution business of Smart Phones, Smart Watches, and Accessories. Our Company derives more than 70% of its revenue from Apple, it becomes important to understand the whole distribution chain of Apple India. Currently the company is the largest regional distributor for Apple in India covering 3 states i.e. Gujarat, Madhya Pradesh and Chhattisgarh. The income from the operation for the stub period ended on December 31, 2023 was ₹75881.78 Lakhs.

#### Other Income

The other income from the operation for the stub period ended on December 31, 2023 was ₹1368.49 Lakhs. It was ₹ 96.35 Lakhs in the Financial Year 2023. The other income was increased substantially in the stub period ended on December 31, 2023. The scheme and discount (Non GST) income of ₹1286.10 Lakhs accrued in the stub period ended on December 31, 2023. During the Q2 and Q3, Apple inc. suddenly dropped the prices of several products. To compensate the distributor Redington (India) limited and Ingram Micro India Private Limited, who are the Company's suppliers and super distributor of Apple Inc, issued credit note of ₹739.68 Lakhs.

#### Total Expenditure

The total expenditure for stub period ended on December 31, 2023 was ₹ 76498.90 Lakhs which is 99.03 % of the total revenue for the stub period. The major expenditure which is part of the total expenditure is Cost of Material Consumed of ₹75427.16 lakhs (97.64%), Employee Benefit Expenses of ₹187.95 lakhs (0.24%), finance cost of ₹613.18 Lakhs (0.79%) and other Expenses of ₹265.22 lakhs (0.34%).

#### EBDTA

The EBDITA for the stub period was ₹1365.76 lakhs representing 1.80 % of total Revenue.

#### Profit after Tax

The profit after Tax for the stub period was ₹556.93 lakhs representing to 0.72 % of the total revenue.

### RESULTS OF KEY OPERATIONS

(₹ in lakhs)

Particulars	For the year ended on		
	31.03.2023	31.03.2022	31.03.2021
<b>Income from continuing operations</b>			
Revenue from operations	63,750.83	29,204.03	23,665.40
<b>Total Revenue</b>	<b>63,750.83</b>	<b>29,204.03</b>	<b>23,665.40</b>
<b>% of growth</b>	118.29	23.40	
Other Income	96.35	51.37	28.07
% total Revenue	0.15	0.18	0.12
<b>Total Revenue</b>	<b>63,847.18</b>	<b>29,255.40</b>	<b>23,693.47</b>
	118.24	23.47	
<b>Expenses</b>			
Cost of Material Consumed	62,102.33	28,343.56	22976.7
<b>% of Revenue from operations</b>	97.41	97.05	97.09
Employee benefits expense	226.46	202.83	131.71
<b>% Increase/(Decrease)</b>	11.65	54.00	
Finance Costs	486.94	252.54	152.13

<b>% Increase/(Decrease)</b>	92.82	66.00	
Other expenses	179.05	178.83	216.85
<b>% Increase/(Decrease)</b>	0.12	(17.53)	
Depreciation and amortisation expenses	5.24	3.35	2.88
<b>% Increase/(Decrease)</b>	56.42	16.32	
<b>Total Expenses</b>	<b>63,000.02</b>	<b>28,981.11</b>	<b>23,480.27</b>
% to total revenue	98.67	99.06	99.10
<b>EBDITA</b>	<b>1,285.32</b>	<b>485.36</b>	<b>360.00</b>
<b>% to total revenue</b>	<b>2.01</b>	<b>1.66</b>	<b>1.52</b>
<b>Restated profit before tax from continuing operations</b>	<b>847.16</b>	<b>274.29</b>	<b>213.20</b>
<b>Exceptional Item</b>			
Total tax expense	211.93	70.79	60.78
<b>Restated profit after tax from continuing operations (A)</b>	<b>635.23</b>	<b>213.12</b>	<b>151.76</b>
<b>% to total revenue</b>	<b>0.99</b>	<b>0.70</b>	<b>0.64</b>

### COMPARISON OF F.Y. 2022-23 WITH F.Y. 2021-22:

#### **Income from Operations**

We are engaged in the distribution business of smart phones, smart watches, and Accessories. our Company derives more than 70% of its revenue from Apple, it becomes important to understand the whole distribution chain of Apple India. Currently the company is the largest regional distributor for Apple in India covering 3 states i.e. Gujarat, Madhya Pradesh and Chattisgarh. In the F.Y. 2022-23, the Company's total revenue was ₹63847.18 Lakhs, which is increased by 118.24 % in compare to total Income from operations of ₹29255.40 Lakhs in F.Y. 2021-22.

1. We are engaged in the distribution business of smart phones, smart watches, and Accessories. Our Company derives more than 75% of its revenue from Apple, it becomes important to understand the whole distribution chain of Apple India. Currently the company is the largest regional distributor for Apple in India covering 3 states i.e. Gujarat, Madhya Pradesh and Chhattisgarh. In the F.Y. 2022-23, the Company's total revenue was Rs. 63750.83 Lakhs, which is increased by 118.29% in compare to total Income from operations of Rs. 29204.04 Lakhs in F.Y. 2021-22. The reason for increase of 118.29 % is as follows:

- The proportion of revenue from sale of apple products in total revenue from operation is as follows:

(Rs. in lakhs)

<b>Particulars</b>	<b>Period upto December 31,2023)</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>
Total Sales (in lakhs)	75881.78	63750.83	29204.04	23665.40
Apple Sales (in lakhs)	62609.03	57381.96	23069.62	21998.71
% of apple sales in total sales	83%	90%	79%	93%
No of units sold	140501	131439	79086	68785

- According to Business Standard's article, Apple India's revenue increased nearly 50% in FY 2022-23 (Rs. 50,000 crores) from FY 2021-22 (Rs. 33,381 crores). This significant increase in Apple India's revenue clearly reflects the increase in market demand for its products. HPTIL being a wholesale distributor, also experienced an increase in demand, resulting in a significant increase in its sales.

*Business Standard Article Link: [https://www.business-standard.com/companies/news/india-s-50-revenue-surge-still-just-1-5-of-global-earnings-for-apple-123083001195\\_1.html](https://www.business-standard.com/companies/news/india-s-50-revenue-surge-still-just-1-5-of-global-earnings-for-apple-123083001195_1.html)*

#### **Expenditure:**

##### **Cost of Material Consumed after adjusting the inventories.**

The Cost of Material Consumed for F.Y. 2022-23 was ₹ 62102.33 Lakhs against the cost of Material Consumed of ₹28343.56 Lakhs in F.Y. 2021-22. The cost of material consumed was 97.41% % of the total revenue from operations in F.Y 2022-23 as against 97.05 % of total revenue from Operations in F.Y 2021-22.

**Employee Benefits Expenses:**

The Employee expenses for F.Y. 2022-23 was ₹226.46 Lakhs against the expenses of ₹202.83 Lakhs in F.Y. 2021-22 showing increase by 11.65%. The increase in the employee cost is increase of the staff to cope up with the increase in business volume.

**Finance Cost:**

The Finance Cost for the F.Y. 2022-23 was ₹486.94 Lakhs against the cost of ₹252.54 Lakhs in the F.Y. 2021-22 showing increase of 92.82%. The company had utilized more working capital limit of bank. The outstanding amount of short term borrowings borrowed from bank in as on March 31, 2023 was ₹5689.13 lakhs which was ₹2440.84 lakhs as on March 31,2022.

**Other Expenses**

Other Expenses increased to ₹179.05 Lakhs for F.Y. 2022-23 against ₹178.83 Lakhs in F.Y. 2021-22 showing marginal increase of 0.12 %. The major expenses are rent and taxes of the property, salary to managing director and repairs and maintenance.

**Depreciation and Amortisation Expenses:**

The Depreciation for F.Y. 2022-23 was ₹5.24 Lakhs as compared to ₹3.35 Lakhs for F.Y. 2021-22. The depreciation increased by 56.42 % in F.Y. 2022-23 as compared to F.Y. 2021-22. The depreciation in FY 2022-23 was increased on account of the addition of computers in the FY 2022-23 and rate of depreciation rate is also high on the Computer.

**EBIDTA**

The EBIDTA for F.Y. 2022-23 was ₹1285.32 Lakhs as compared to ₹485.36 Lakhs for F.Y. 2021-22, because of an increase in the business of the company by 118.29 % in FY 2022-23 as compared to FY 2021-22. The EBIDTA in absolute term has increased but in terms of percentage the increase was 0.35%. The EBIDTA was 2.02% in F.Y. 2022-23 in compared to ₹1.66 % in F.Y. 2021-22.

**Profit after Tax (PAT)**

PAT is ₹635.23 Lakhs for the F.Y. 2022-23 in compared to ₹213.12 Lakhs in F.Y. 2021-22. The PAT was 0.99 % of total revenue in F.Y. 2022-23 compared to 0.70 % of total revenue in F.Y. 2021-22. The PAT was increased on account increase in the business of the company by 118.29 % in FY 2022-23 as compared to FY 2021-22 and the expenses are not increased in FY 2022-23 in comparison of FY 2021-22.

**COMPARISON OF F.Y. 2021-22 WITH F.Y. 2020-21:****Income from Operations**

We are engaged in the distribution business of smart phones, smart watches, and Accessories. Our Company derives more than 70% of its revenue from Apple, it becomes important to understand the whole distribution chain of Apple India. Currently the company is the largest regional distributor for Apple in India covering 3 states i.e. Gujarat, Madhya Pradesh and Chattisgarh. In F.Y. 2021-22, the Company's total revenue was ₹29255.40 Lakhs, which is increased by 23.47 % in comparison of total Income of ₹ 23693.47 Lakhs into F.Y. 2020-21.

**Expenditure:****Cost of Material Consumed**

The Cost of Material Consumed for F.Y. 2021-22 was ₹28343.56 Lakhs against the cost of Material Consumed of ₹22976.70 Lakhs in F.Y. 2020-21. The cost of material consumed was 97.05 % of the total revenue from operations in F.Y 2021-22 as against 97.09 % of total revenue from Operations in F.Y 2020-21. The Cost of material is almost same in both the financial years.

**Employee Benefits Expenses:**

The Employee expenses for F.Y. 2021-22 was ₹202.83 Lakhs against the expenses of ₹131.71 Lakhs in F.Y. 2020-21 showing increase by 54.00%. The employee benefit expense in FY 2019–20 was Rs. 136.39 lakhs; in FY 2020–21, it was Rs. 131.71 lakhs. As a result of the pandemic outbreak of COVID-19 during the majority of FY 2020–21, the normal yearly increase in employee benefit expenses did not happen. In fact, there is a decrease in employee benefit expenses from FY 2019–20 to FY 2020–21. Therefore, when normalcy was restored in FY 2021–22, an accumulated hike was witnessed in the employee benefit expense. The no of employees were 45 in FY 2021-22 as against 38 in FY 2020-21.

#### **Finance Cost:**

The Finance Cost for F.Y. 2021-22 was ₹252.54 Lakhs against the cost of ₹152.13 Lakhs in the F.Y. 2020-21 showing an increase of 66.00 %. The company had utilized more working capital limit of bank.

#### **Other Expenses**

Other Expenses decreased to ₹178.83 lakhs for F.Y. 2021-22 against ₹217.51 Lakhs in F.Y. 2020-21 showing decrease of 17.78 %. The Selling and distribution expenses which includes scheme and discount was ₹113.44 lakhs in FY 2020-21 while in the FY 2021-22 it was 27.82 lakhs.

- In FY 2020–21, following the advent of the COVID-19 pandemic, HPTIL took up the opportunity that had arisen as a result of the sudden significant demand for surgical masks. The company carried out the business of manufacturing and selling N95 surgical masks.
- In FY 2020–21, the company was able to make revenue of Rs. 610.54 lakhs from the sale of N95 surgical masks. In order to achieve such revenue amidst a highly competitive landscape of mask business during the COVID-19 pandemic, the company offered significant schemes to its customers.
- The scheme and discount expense pertaining to the surgical mask business were Rs. 100.02 lakhs, which is 16.35% of the revenue from the surgical mask business. The company was able to offer such margins to its customers, as the profit margin for a manufacturer of masks usually remains high.
- In FY 2021–22, the company discontinued the operations of the surgical mask business, and therefore the scheme and discount expenses pertaining to that business were no longer incurred by the company.

#### **Depreciation and Amortisation Expenses:**

The Depreciation for F.Y. 2021-22 was ₹3.35 Lakhs as compared to ₹2.88 Lakhs for F.Y. 2020-21. The depreciation was increased by 16.32 % in F.Y. 2021-22 as compared to F.Y. 2020-21. The depreciation in FY 2021-22 was high on account of the addition of fixed assets of ₹ 36.99 lacs in F.Y. 2021-22 which was ₹10.94 lacs FY 2020-21.

#### **EBIDTA**

The EBIDTA for F.Y. 2021-22 was ₹485.36 Lakhs as compared to ₹359.34 Lakhs for F.Y. 2020-21. The EBIDTA was 1.66 % in FY 2021-22 of total Revenue as compared to 1.52% in FY 2020-21. The EBIDTA is increased on account of reduction of other expenses in F.Y. 2021-22 as compared to F.Y 2020-21. The EBIDTA in absolute term has increased but in terms of percentage the increase was 0.14%.

#### **Profit after Tax (PAT)**

PAT is ₹ 213.12 Lakhs for F.Y. 2021-22 as compared to ₹151.76 Lakhs in F.Y. 2020-21. The PAT was 0.70 % of total revenue in F.Y. 2021-22 compared to 0.64 % of total revenue in F.Y. 2020-21. The PAT margin was increased on account of increase of business by 23.47 % in FY 2021-22.

#### **CASH FLOW**

<b>Particulars</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Net cash from Operating Activities	(5134.86)	725.31	(462.88)	192.90
Net cash flow from Investing Activities	(45.95)	(545.61)	(186.99)	34.06

Net Cash Flow Financing Activities	5247.01	3046.38	(182.23)	198.14
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### **Cash flow December 31, 2023**

The cash flow of operating activity was negative on account of increase of inventory and trade receivables and reduction of the trade payables. The Company had invested in Fixed assets resulting in to Negative cash flow from investing activity. The Company had borrowed the funds from the bank for financing the increase in working capital requirement.

### **Cash flow March 31, 2023**

The Company has positive cash flow from operating activities on account of Profit earned by the Company and increase in the trade payables. The funds blocked in inventory and trade receivables are less than the fund generated by the Company. The positive cash operating flow was used to invest in mutual funds and the positive cash flow from financing activity was used to provide deposit to the bank.

### **Cash flow March 31, 2022**

The negative cash flow from operating activities, investment activities and financing activity was financed through the cash and bank balance lying with the Company. The Negative cash flow from operating activity was on account of increase of the trade receivables and Inventory which was partly financed by the increase of trade payables. The Negative cash flow from investing activity was on account purchase of fixed assets and the investment in mutual funds. The negative cash flow from financing activity was on account of repayment of borrowing and interest payment.

### **Cash flow March 31, 2021**

The Company had positive cash flow from operating activities, investing activity and from financing activity and the same has been deposited in the bank. The Profit and increase in the trade payables is more than the funds used for the inventory and trade receivables which in turn result in to positive cash flow from operating activities. The investment were liquidated and it was partly used for the purchase of fixed assets which in turn result in to positive cash flow from Investing activities. The Company has borrowed the funds which are more than the funds utilized for the payment of interest.

### **Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**1. Unusual or infrequent events or transactions**

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "*Risk Factors*" beginning on page 21 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

**3. Income and Sales on account of major product/main activities**

Income and sales of our Company on account of major activities derives from distribution business of smart phones, smart watches, and Accessories.

**4. Whether the company has followed any unorthodox procedure for recording sales and revenues**

Our Company has not followed any unorthodox procedure for recording sales and revenues.

**5. 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 titled “*Risk Factors*” beginning on page 21 in this Draft 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.

**6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

**7. Total turnover of each major industry segment in which the issuer company operated.**

The Company is in the business of distribution , the relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page no 80 of this Draft Prospectus.

**8. Status of any publicly announced new products or business segment.**

In the fiscal year 2020–21, World is facing a COVID -19 pandemic situation due to which the demand for surgical masks rises brought, HPTIL prioritized meeting the urgent requirements for protective gear during these challenging times. So company has started manufacturing and selling of N95 surgical masks.

**9. The extent to which business is seasonal.**

Our business is not seasonal.

**10. Any significant dependence on a single or few suppliers or customers.**

Our Company is distributor of Apple smart phones and dependent on Apple inc. for supply of materials.

**Competitive conditions.**

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Business Overview*” beginning on pages 80 and 88, respectively of this Draft Prospectus.

**FINANCIAL INDEBTEDNESS**

**SECURED LOAN**

Name of the Lender	Credit Facility	Sanctioned Amount (Rs. in Lakhs)	Outstanding Amount as on December 31,2023 (₹. in Lakhs)	Interest Rate per Annum (Interest Rates are linked to Reference Rate)	Security
State Bank of India  Charge ID: 10293285	Cash Credit	5,500.00	5,469.80	Interest on CC at the rate of 1.75% above MCLR-6M (8.30% p.a.) with present effective rate of 10.05% p.a.	<p><b>Primary</b></p> <p>Hypothecation of Company's entire current assets including stock of raw materials, stocks in process, finished goods, stores and spares etc. Bills / book-debts/receivables and other current assets.</p> <p><b>Collateral</b></p> <ol style="list-style-type: none"> <li>Equitable mortgage over all that immovable property of plot no. 7 Meghna Row house, B/h Maharaja Agrasen Bhavan, Near Chandan Park Society, City Light Road, Surat, bearing R.S. No. 164 TP Scheme No. 4 (Umra-South), Final plot no. 93 of village umra, Dist-surat, admeasuring 116.90 sq. mts. i.e. 139.00 sq yards. belonging to Mr. Vijay L. Yadav.</li> <li>Immovable property of Plot no. 8 of society knows as Meghna Row House situated at b/h Maharaja Agrasen Bhavan, city light road bearing R.S. no 164 TP scheme No. 4(Umra-South), Final plot no. 93 and residential bungalows in the plot 7 &amp; 8 having area of 325.16 sq mtrs. As per the approved plan belonging to Mr. Vijay L. Yadav.</li> <li>Equitable mortgage over all that immovable property of flat no. I-204 admeasuring 1286 Sq. Feet i.e. 119.51 Sq Mtrs. Build up area, situated on second floor, of the C building knows as pramukh hills and said</li> </ol>
	GECL	249.00	99.70	a) MCLR 6M (presently 8.30%) + 75 bps. Present effective rate is 9.05% p.a. b) maximum 9.25% p.a. during the entire tenor.	

					<p>building is constructed on non agricultural land bearing revenues survey no 43/1, admeasuring 16188 Sq. Mtrs situated at village chharwada, Taluka Pardi District Valsad, Gujarat State belonging to Mrs. Seema Vijay Yadav</p> <p>4. Commercial plot bearing Survey Number: 846/2 (Promulgation New Survey No. 5085), situated at All that piece and parcel of a non-agriculture land bearing plot no. 002, admeasuring 2841.00 Square Meters (computerized survey no 846/2, admeasuring H 0-28 Are-41 Square Meters and Promulgation New Survey No. 5085, Akar 710.32), consisting revenue Survey no. 846, totally admeasuring 315401.00 squares meters, situated at village: Vapi, Taluka, Vapi, Valsad, Gujarat, Vapi, Valsad Belonging to Mr. Bharat Yadav, Mr. Vijay Yadav, Mrs. Sangita Yadav and Mrs. Seema Yadav</p> <p>5. Shop No G/10 on the Ground Floor of building Bhagwati Ashish-1 bearing revenue survey no. 144/1 paiki, T.P. scheme no. 4 (umra south) final plot no. 149 of village Umra, Taluka: Majura, Dist- Surat (Capet area 20.44 sq mtrs &amp; undivided share of land of 30.04 Sq.mtrs) situated at Bhagwati Ashish-1, opposite Ashok Pan House, City Light Road, Surat, (Urban) Admeasuring Total Area: capet area 20.44 sq mtrs. Belonging to HP Telecom India P Limited.</p> <p>6. Cash collateral in the form of Bank Deposit/Mutual Fund of Rs. 8.01 crores. Belonging to HP Telecom India Limited /</p>
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					Promoters.  <b>Personal Guarantee</b> (i) Mr. Vijay Yadav (ii) Mrs. Seema Yadav (iii) Mr. Bharat Yadav (iv) Mrs. Sangita Yadav
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**Other Condition**

- Additional capital to be infused to maintain TOL/Adj. TNW under benchmark level. Merely bringing it to our attention and thereby assuming tacit permission will not be acceptable.
- Non-compliance of the instructions would attract levy of penal interest @1 % p.a. on fund-based limits, withdrawal of all concessions, if extended and a freeze on grant of any additional facilities.
- If the cash / internal accruals are less than the projection, the promoter shall raise interest free unsecured loans for the corresponding amount and the payment of the term loan installments / interest shall be made from the promoters' own sources.
- The firm shall furnish an undertaking that it will not go in for any short / long term borrowing without the bank's prior approval.
- Company to submit details of receivables (like names, address, email of party and its bankers)
- Unit to submit CA certified book debts on quarterly basis.

**Prepayment Charge:**

2.00 % of the pre-paid amount (loans prepaid from own resources will not attract prepayment / pre-closure charges)

**Penal Interest / Charges:**

**Irregularity in cash credit limit:**

5.00 % per annum on the irregular portion for the period of irregularity, if continuously irregular for a period beyond 60 days.

5.00 % per annum on the irregular portion for the period of irregularity on the irregular portion in other cases.

**Non-submission of stock statement:**

For limit up to Rs. 10.00 Lacs: NIL

For limits above Rs. 10.00 Lac and upto Rs.1 Crore: Flat penalty (penal interest) of Rs.200/- for each day of delay beyond due date for submission.

For limit above Rs. 1.00 crore:

Limit	Flat Penal Interest per day of delay
Rs. 1.00 to Rs. 50 Crore	Rs.1000
Above Rs. 50 crore to Rs. 500 crore	Rs.2000
Above Rs. 500 crore	Rs.5000

**Non-compliance with financial covenants:**

1.00% p.a. on the entire outstanding for the period of non-compliance.

Name of the Lender	Credit Facility	Sanctioned Amount (Rs. in Lakhs)	Outstanding Amount as on December 31, 2023 (₹. in Lakhs)	Interest Rate per Annum (Interest Rates are linked to Reference Rate)	Security
State Bank of India #	Over Draft	900.00	899.80	7.00	FDR of Rs. 10 crores

# The said loan has been liquidated on 01 January, 2024 as per No due Certificate dated 26 April, 2024.

Name of the Lender	Credit Facility	Sanctioned Amount (Rs. in	Outstanding Amount as on	Interest Rate per Annum (Interest Rates	Security
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		Lakhs)	December 31,2023 (₹. in Lakhs)	are linked to Reference Rate	
Axis Bank Limited \$  (Charge ID: 100616089)	Inventory Funding  Under Authorized dealer (AD) scheme with M/s. Ingram Micro India Private Limited (IMIPL)	2812.50	2370.43	Repo+3.60 % p.a. i.e. presently 10.10% p.a. to be serviced by Ads at monthly rest. Presently applicable REPO is 6.50% p.a.	Pledge of FDR of Rs. 17 crores with Bank's Lien noted thereon for two schemes.  Personal Guarantee of 1. Mr. Vijay Yadav 2. Mrs. Seema Yadav 3. Mr. Bharat Yadav 4. Mrs. Sangita Yadav
Axis Bank Limited \$  (Charge ID: 100616089)	Inventory Funding  Under Authorized dealer (AD) scheme with Redington (India) Limited (RIL)	2925.00	2905.41	Repo+3.60 % p.a. i.e. presently 10.10% p.a. to be serviced by Ads at monthly rest. Presently applicable REPO is 6.50% p.a.	

\$ Modification of Charge for Rs. 30.00 Lakhs to Rs. 45 Lakhs filed with ROC on 4<sup>th</sup> May, 2024

#### TERMS & CONDITION

- 6.00% over and above the contracted rate to be born by the Dealer for Invoices realized beyond max. usance period. Bank reserves the right to revise the applicable overdue rate of interest as per the Bank internal guideline with prior information to the borrower.

#### OTHER COVENANTS

- Borrower to rout minimum 50% direct business routing with Axis bank within 60 days through current account with us.
- Minimum USL of Rs. 2.42 Crore to be maintained in business during currency of our loans. TOL/ATNW not exceed more than 4.5 times in FY 24
- Shareholding of Ajay Mishra to be brought below 10% within 60 days. If the same is not complied than PG of Ajay Mishra to be obtained.
- The borrower will maintain its net working capital position equal to or above the level furnished in its projection for working capital finance. In the event of difference of opinion arising as to what constitute current assets and current liabilities, the bank's decision will be final and binding on the borrower.
- The borrower will place its entire banking business with the bank or at list proportionately if under consortium or multiple banking arrangement.
- The borrower should undertake not to divert working capital fund for long terms purposes.

#### FINANCIAL COVENANTS

- The below financial covenants shall be tested on an annual basis based on audited results of borrower;

Sn	Ratio	Parameters
1.	TOL / ATNW	Not to exceed 4.5 times in FY 24
2.	USLs	Min of Rs. 2.42 Crs. To be maintained in business during currency of our loans

Note: penal interest @2.00 % p.a. shall be applicable in case of noncompliance.

#### PENAL INTEREST

- In the event of non-creation of security within stipulated timeline, penal interest of 2.00% p.a. on outstanding amount of credit facilities will be applicable for the period of default and discounting will be stopped in the account.

- In the event of expiry of working capital limit penal interest of 2.00% p.a. on the outstanding amount of fund-based credit facilities will be applicable. The Bank will stop operation in the account on expiry of the sanctioned limits.

#### **ACTION PLAN IN THE EVENT OF DEFAULT**

**Bank Reserves the rights to initiate stop supply on account reaching 15 UPD.**

**For IMIPL**

#### **ACTION BY AXIS BANK:**

- Axis Bank would suspend further inventory financing for the said AD till the overdue is cleared.
- Defaulted amount becomes immediately payable
- Axis Bank would follow up with the defaulted AD for regularizing the account.
- Axis Bank would provide a notice to IMIPL to stop supply to the defaulted AD (After 30 days from the completion of maximum usance Period of 90 days).
- Bank will exit dealer relationship, if the account remains to overdue for more than 30days for two times in a year or 60 days for one time in past 12 months in consultation with IMIPL.

#### **ACTION IN IMIPL:**

- IMIPL to assist the bank on the best effort basis to recover the dues from the AD's.
- Upon receiving information from the bank (after 30 days from the completion of maximum usance Period 90 Days), IMIPL to stop supplies to defaulting AD and confirm the same.
- IMIPL to transfer alol the deposit/credits of the AD available with IMIPL to the bank after adjusting all their dues from the AD

**For RIL:**

#### **ACTIONS BY AXIS BANK:**

- Axis Bank would suspend further inventory financing for the said AD till the overdue is cleared. Defaulted amount becomes immediately payable
- Axis Bank would follow up with the defaulted AD for regularizing the account.  
Axis Bank would provide a notice to RIL to stop supply to the defaulted AD from all the channels once the AD reaches 15 DPD.
- Bank will exit dealer relationship, if the account remains to overdue for more than 30days for two times in a year or 60 days for one time in past 12 months in consultation with RIL.

#### **ACTION WITH RIL:**

- RIL to assist the bank on best effort basis to recover the dues from the ADs.
- upon receiving information from bank, RIL to stop supplies to defaulting AD from all the channels and confirm the same

#### **RESTRICTED PAYMENTS**

<b>Sn</b>	<b>Nature of Restricted Payments</b>	<b>Condition to be satisfied for making Restricted Payments</b>
1.	Director / Shareholder etc.	The borrower shall not repay and principal or interest on any loans availed form the shareholders / directors /partners (including the partners contribution) / proprietor / coparceners, relatives, friends or any other affiliates (as the case may be) as at the date of execution of this agreement without prior written consent of the Bank
2.	Dividend payment to shareholder	The borrower shall not declare dividend for any year and subject to no default in payment / repayment obligation to the bank and prior written approval of the Bank being obtained.
3.	Loan / Liability Repayment	The borrower shall not make any repayment of loans / deposits and / or discharge other liabilities except as stated in the projected financial statement of the Borrower approved by the bank.

#### **NEGATIVE COVENANTS**

Borrower / Obligor shall not, without the prior written approval of the Bank.

- Enter into any merger amalgamation etc., or do a buyback

- Make any Restricted payments other than as permitted
- Wind up/liquidate its affair
- Agree/authorize to settle any litigation/arbitration having a material effect
- Change the general nature of its business or undertake any expansion in any other entity.
- Permit any change in its ownership/control/management (including by pledge of promoter/sponsor shareholding in the Borrower to any Third part)
- Change remuneration of its directors in any manner other than as mandated by legal or regulatory provisions
- Effect any change in its accounting methods or policies
- Make any amendments to its constitutional documents

#### UNSECURED LOAN

<b>Sn</b>	<b>Name of Lander</b>	<b>Outstanding Amount as on December 31,2023 (Rs. in Lakhs)</b>	<b>Rate of Interest</b>	<b>Repayment Terms</b>
1	Seema Vijay Yadav	3.71	As may be mutually decided by the Board of Directors	Payable on Demand
2	Vijay Lalsingh Yadav	18.89	As may be mutually decided by the Board of Directors	Payable on Demand
3	Sangita Bharat Yadav	8.64	As may be mutually decided by the Board of Directors	Payable on Demand
4	Bharatlal Lalsingh Singh	8.64	As may be mutually decided by the Board of Directors	Payable on Demand

## OTHER FINANCIAL INFORMATION

### Restated Statement of Accounting Ratios

Particulars	As on 31/12/2023	As on 31/03/2023	As on 31/03/2022	As on 31/03/2021
Net Profit	556.93	635.23	213.12	151.76
No. of shares	58,30,340	58,30,340	49,94,605	49,90,000
EPS (in Rs.)	9.55	10.90	4.27	3.04
Net Worth	2,607.89	2,050.96	1,546.16	1,133.05
NAV per share	44.73	35.18	30.96	22.71
EBIDTA	1,365.76	1,285.32	485.36	359.34
EBIDTA %	1.80%	2.02%	1.66%	1.52%
RoNW	21.36%	30.97%	13.78%	13.39%

### ANALYTICAL RATIO

#### Statement showing yearly ratios as on 31-12-2023

Particulars	Numerator	Denominator	2023-24
Current Ratio	Current Assets	Current Liabilities	1.12
Debt-Equity Ratio	Long term Debt	Shareholder's Funds	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.06
Return on Equity Ratio	Net Earnings	Shareholder Equity	0.21
Inventory Turnover Ratio	Cost of Sales	Average Stock Carried or Inventory	17.66
Trade Receivables Turnover Ratio	Credit Sales	Accounts Receivable	24.74
Trade payables Turnover Ratio	Credit Purchases	Accounts Payable	263.22
Net Capital Turnover Ratio	Sales or Cost of Sales	Net Working Capital	51.05
Net Profit Ratio (%)	Net Operating Profit	Sales	0.73%
Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	0.52
Return on Investment (%)	Net Profit after interest, taxes and preference dividends	Equity capital plus reserves	21.36%

**Note:** Ratios as on 31-12-2023 reflect financial data for the period of 9 months only and therefore it is not reasonable to compare the same with the ratios as on 31-03-2023 as they reflect financial data for the period of 12 months. Therefore, variance and the explanation to such variance is not presented.

#### Statement showing yearly ratios as on 31-03-2023

Particulars	Numerator	Denominator	2021-22	2022-23	Variance	Explanation
Current Ratio	Current Assets	Current Liabilities	1.31	1.13	-13.74%	-
Debt-Equity Ratio	Long term Debt	Shareholder's Funds	-	-	-	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.11	0.14	27.27%	Increase in earnings
Return on Equity Ratio	Net Earnings	Shareholder Equity	0.13	0.31	138.46%	Increase in earnings
Inventory Turnover Ratio	Cost of Sales	Average Stock Carried or Inventory	26.99	35.92	33.09%	Increase in stock
Trade Receivables Turnover Ratio	Credit Sales	Accounts Receivable	12.65	27.39	116.52%	Increase in trade receivables
Trade payables Turnover Ratio	Credit Purchases	Accounts Payable	61.37	57.73	-5.93%	-
Net Capital Turnover Ratio	Sales or Cost of Sales	Net Working Capital	31.11	65.21	109.61%	Increase in sales and inventory

Net Profit Ratio (%)	Net Operating Profit	Sales	0.70%	1.00%	0.30%	-
Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	0.31	0.62	100.00%	Increase in earnings
Return on Investment (%)	Net Profit after interest, taxes and preference dividends	Equity capital plus reserves	13.16%	30.97%	17.81%	-

**Statement showing yearly ratios as on 31-03-2022**

Particulars	Numerator	Denominator	2020-21	2021-22	Variance	Explanation
Current Ratio	Current Assets	Current Liabilities	1.26	1.31	3.97%	-
Debt-Equity Ratio	Long term Debt	Shareholder's Funds	-	-	-	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.08	0.12	50.00%	Increase in earnings
Return on Equity Ratio	Net Earnings	Shareholder Equity	0.13	0.14	7.69%	-
Inventory Turnover Ratio	Cost of Sales	Average Stock Carried or Inventory	27.41	26.99	-1.53%	-
Trade Receivables Turnover Ratio	Credit Sales	Accounts Receivable	16.99	12.65	-25.54%	Increase in trade receivables
Trade payables Turnover Ratio	Credit Purchases	Accounts Payable	-	61.37	-	-
Net Capital Turnover Ratio	Sales or Cost of Sales	Net Working Capital	31.93	31.11	-2.57%	-
Net Profit Ratio (%)	Net Operating Profit	Sales	0.64%	0.73%	0.09%	-
Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	0.31	0.32	3.23%	-
Return on Investment (%)	Net Profit after interest, taxes and preference dividends	Equity capital plus reserves	13.39%	13.78%	0.39%	-

**Restated Statement of Capitalization**

(Rs. In lacs)

<b>Particulars</b>	<b>Pre-IPO</b>	<b>Post-IPO</b>
<b>Debt</b>		
Short Term Debt	11,785.02	11,785.02
Long Term Debt	-	-
<b>Total Debt</b>	<b>11,785.02</b>	<b>11,785.02</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	583.03	[•]
Reserves and Surplus	2024.86	[•]
<b>Total Shareholders' Fund (Equity)</b>	<b>2607.89</b>	[•]
<b>Long Term Debt/Equity</b>	-	[•]
<b>Total Debt/Equity</b>	<b>4.52</b>	[•]

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; or (d) Material Litigation (as defined below); involving our Company, its Directors, the Promoters and the Group Companies ("Relevant Parties"). Further, there are no disciplinary actions (including penalties) imposed by SEBI or the Stock Exchanges against our Promoters in the last five (5) FYs, including any outstanding action.*

*For the purpose of material litigation in (d) above, our Board in its meeting held on March 13, 2024 has considered and adopted the following policy on materiality for identification of material outstanding litigation involving the Relevant Parties ("**Materiality Policy**"). In accordance with the Materiality Policy, all outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings and actions by regulatory authorities and statutory authorities, will be considered material if: (i) if the aggregate amount involved exceeds 2% of the turnover, as per the last audited consolidated financial statements of the Company or 2% of the net worth, except in case of the arithmetic value of the net worth is negative, as per the last audited consolidated financial statements of the Company or 5% of the average of absolute value of profit or loss after tax, for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 in Restated Consolidated Financial Statements or Rs. 50 lakhs, whichever is lower; or (ii) are outstanding litigations whose outcome could have a material impact on the business, operations, prospects or reputation of the Company; or (iii) the decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold.*

*It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.*

*Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated March 13, 2024. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding Rs. 10.00 Lakhs as per the Restated Financial Statements of our Company disclosed in this Draft Prospectus, would be considered as material creditors. The trade payables of our Company as on December 31, 2023 were ₹314.48 Lakhs. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved, shall be uploaded and disclosed on the website of the Company as required under the SEBI ICDR Regulations.*

*For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.*

*All terms defined in a particular litigation disclosure pertains to that litigation only*

#### **I. Litigation involving our Company**

##### **A. Litigation filed against our Company**

##### **1. Criminal proceedings**

Nil

##### **2. Outstanding actions by regulatory and statutory authorities**

Nil

##### **3. Material Civil proceedings**



Nil

B. *Litigation filed by our Company*

1. **Criminal proceedings**

i. ***HP Telecom India Private Limited vs. Dhvani Piyushkumar Shah – G.U. No. 27636/2021***

HP Telecom India Private Limited (“**Complainant**”) filed a Complaint bearing number 27363 of 2021 (“**Complaint**”) before the Hon’ble Chief Judicial Magistrate, Vadodara (“**Court**”) against Dhvani Piyushkumar Shah (“**Accused**”) proprietor of Apple World. The Complainant contends that the Accused purchased several Apple products from the Complainant. The Accused had requested the Complainant to provide the products on loan amounting to Rs. 2,73,030 (“**Outstanding amount**”). The Complainant further contends that the Accused issued a cheque bearing number 072621 dated March 8, 2021 (“**Cheque**”) drawn on Axis Bank, Old Padra Road, Vadodara Branch of full outstanding amount in favour of the Complainant. However, the said cheque was returned by the Complainant’s banker with return memo “Door Signature Difference”. Therefore, the Complainant has filed this Complaint before the Court praying for a two year full sentence and a fine of double the amount of cheque and recovery of outstanding amount in full from the Accused. The matter is currently pending and the next date of hearing is May 30, 2024.

ii. ***HP Telecom India Private Limited vs. N.K. Ahir and Shri Krishna Sales – Private Cr. Case No. 26866/2018***

HP Telecom India Private Limited (“**Complainant**”) filed a Complaint bearing number 26866 of 2018 (“**Complaint**”) before the Hon’ble Additional Senior Civil Judge and Judicial Magistrate First Class, Surat (“**Court**”) against N.K. Ahir (“**Accused 1**”) and Shri Krishna Sales (“**Accused 2**”) (collectively, “**Accused**”). The Complainant contends that the Accused purchased Apple products from the Complainant. The Complainant further contends that the said Apple products were sold on credit of Rs. 3,71,845 (“**Outstanding amount**”). The Accused issued two cheques bearing numbers 059522 and 059532 dated December 26, 2017 and December 30, 2017 respectively (“**Cheques**”) drawn on Akhand Anand Co-op Bank Limited, Kamrej Branch, Surat of Rs. 1,72,816 and Rs. 1,99,029 in favour of the Complainant. However, the said cheques were returned by the Complainant’s banker with return memo “Account Closed”. Therefore, the Complainant has filed this Complaint before the Court praying for recovery of outstanding amount in full from the Accused. The matter is currently pending and the next date of hearing is June 5, 2024.

iii. ***HP Telecom India Private Limited vs. Bhaveshbhai Patel – Criminal Case 41055/2022***

HP Telecom India Private Limited (“**Complainant**”) filed a Criminal Case bearing number 41055 of 2022 (“**Complaint**”) before the Hon’ble Additional Chief Metropolitan Magistrate, Ahmedabad (“**Court**”) against Bhaveshbhai Patel, Proprietor New App Store (“**Accused**”). The Complainant contends that the Accused purchased several mobile phones from the Complainant. The Complainant further contends that the said mobile phones were sold on credit amounting to Rs. 2,57,513.02 of which the Accused had made payment of Rs. 17,577 and Rs. 10,000 at two separate occasions and the Accused owed Rs. 2,29,936.02 (“**Outstanding amount**”). The Accused issued cheque bearing numbers 000196 dated January 18, 2022 (“**Cheque**”) drawn on HDFC Bank, Naroda, Ahmedabad Branch, of Rs. 2,19,936 in favour of the Complainant. However, the said cheque were returned by the Complainant’s banker with return memo “Payment stopped by drawer”. Therefore, the Complainant has filed this Complaint before the Court praying for recovery of outstanding amount in full from the Accused. The matter is currently pending and the next date of hearing is June 26, 2024.

iv. ***HP Telecom India Private Limited vs. Pathan Yasinkhan Rasulkhan– Criminal Case 41056/2022***

HP Telecom India Private Limited (“**Complainant**”) filed a Criminal Case bearing number 41056 of 2022 (“**Complaint**”) before the Hon’ble Additional Chief Metropolitan Magistrate, Ahmedabad (“**Court**”) against Pathan Yasinkhan Rasulkhan, Proprietor Maruti Mobile Shop (“**Accused**”). The Complainant contends that the Accused purchased several mobile phones from the Complainant. The Complainant further contends that the said mobile phones were sold on credit to the Accused. The Accused issued cheque bearing numbers 002011 dated January 18, 2022 (“**Cheque**”) drawn on Banchan Bank, Gandhinagar Branch, of Rs. 3,33,089 in favour of the Complainant. However, the said cheque were returned by the Complainant’s banker with return memo “Funds insufficient”. Therefore, the Complainant has filed this Complaint before the Court praying for recovery of outstanding amount in full from the Accused. The matter is currently pending and the next date of hearing is June 26, 2024

2. **Material Civil proceedings**

Nil

C. *Tax proceedings*

(₹ in lakhs)

Particulars	No. of cases	Amount involved
Direct Tax	3	0.51
Indirect Tax	Nil	Nil
<b>Total</b>	<b>3</b>	<b>0.51</b>

II. **Litigation involving our Directors (other than Promoters)**

A. *Litigation filed against our Directors*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Civil proceedings**

Nil

B. *Litigation filed by our Directors*

1. **Criminal proceedings**

Nil

2. **Material Civil proceedings**

Nil.

C. *Tax proceedings*

(₹ in lakhs)

Particulars	No. of cases	Amount involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

III. **Litigation involving our Promoters**

A. *Litigation filed against our Promoters*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Civil proceedings**

Nil

B. *Litigation filed by our Promoters*

1. **Criminal proceedings**

i. ***Telecom Merchants, through its partner, Bharat Lalsingh Yadav vs. Hasmukhbhai Bhikhubhai Bhayani and ors. – Private Cr. Case 61985 of 2018***

Telecom Merchants, through its partner, Bharat Lalsingh Yadav (“**Complainant**”) filed a Private Criminal Case bearing number 61985 of 2018 (“**Complaint**”) before the Hon’ble Additional Senior

Civil Judge and Magistrate, Surat (“**Court**”) against Hasmukhbhai Bhikhubhai Bhayani (“**Accused 1**”) and Gokul Television (“**Accused 2**”) (collectively, “**Accused**”). The Complainant contends that the Accused 2 purchased goods from the Complainant. The Accused 1 is the proprietor of Accused 2 and therefore, was liable to pay for the goods sold by the Complainant. The Complainant further contends that the Accused owed Rs. 5,52,509 (“**Outstanding dues**”) and therefore, the Accused issued a cheque bearing number 237984 drawn on Akhand Anand Co-operative Bank Limited, Surat for the said Outstanding dues. The Complainant had deposited the said cheque at State Bank of India, Surat Branch, however, the said cheque was returned with remarks “Payment Stopped by Drawer”. Therefore, the Complainant has filed this complaint before the Court praying to issue notice/process against the Accused. The Complaint is presently pending and the next date of hearing is May 30, 2024.

ii. ***Telecom Merchants, through its Manager, Manmohan Ramchander Yadav vs. Rahul Jain and ors. - Private Cr. Case 37193 of 2021***

Telecom Merchants, through its Manager, Manmohan Ramchander Yadav (“**Complainant**”) filed a Private Criminal Case bearing number 37193 of 2021 (“**Complaint**”) before the Hon’ble Additional Senior Civil Judge and Magistrate, Surat (“**Court**”) against Rahul Jain (“**Accused 1**”) and Swastik Home Appliances (“**Accused 2**”) (collectively, “**Accused**”). The Complainant contends that the Accused 2 purchased goods from the Complainant. The Accused 1 is the proprietor of Accused 2 and therefore, was liable to pay for the goods sold by the Complainant. The Complainant further contends that the Accused owed Rs. 6,84,504 (“**Outstanding dues**”) and therefore, the Accused issued a cheque bearing number 690467 drawn on State Bank of India, Dindoli Kharwasa Road, Surat for the said Outstanding dues. The Complainant had deposited the said cheque at State Bank of India, Ring Road, Surat Branch, however, the said cheque was returned with remarks “Fund Insufficient”. Therefore, the Complainant has filed this complaint before the Court praying to issue notice/process against the Accused. The Complaint is presently pending and the next date of hearing is June 29, 2024.

iii. ***Government of Gujarat vs. Ghanshyam Keshav Nimaje and Ors. – CC/24811/2022 ; (i) Baviskar Sachin Bhagvat vs. H. V. Connecting Infra Private Limited and Ors. – Refer T LC – 179 of 2022; (ii) Mittu Praful Badatiya vs. H. V. Connecting Infra Private Limited and Ors. – Refer T LC – 178 of 2022***

Government of Gujarat (“**Complainant**”) filed a Criminal Case bearing number 24811 of 2022 (“**Complaint**”) before the Hon’ble Additional Senior Civil Judge and Chief Judicial Magistrate, Surat (“**Court**”) against Ghanshyam Keshav Nimaje (“**Accused 1**”), Sachin Bhagvat Baviskar (“**Accused 2**”) and Mittu Praful Balatia (“**Accused 3**”) (Collectively “**Accused**”) on basis FIR bearing number 112100232/2022 dated March 10, 2022 by H. V. Connecting Infra Private Limited, represented by, Vijay Lalsingh Yadav, one of our Promoters (“**Informer**”) against the Accused. The Informer contends that the Accused had sold goods without the authorisation of the Complainant and did not inform the Complainant of the transaction and retained the amount received from the said transaction. Therefore, this Complaint is filed before the Court under sections 408, 420, 465, 471, 144 of the Indian Penal Code. The matter is currently pending and the next date of hearing is July 6, 2024.

In furtherance, the Accused 2 has filed a Complaint bearing number Refer T LC – 179 of 2022 before the Hon’ble Labour Court, Surat (“**Labour Court**”) against H. V. Connecting Infra Private Limited and Communication Merchant for wrongful termination. The matter is presently pending and the next date of hearing is July 11, 2024. The Accused 3 filed a Complaint bearing number Refer T LC – 178 of 2022 before the Hon’ble Labour Court, Surat (“**Labour Court**”) against H. V. Connecting Infra Private Limited and Communication Merchant for wrongful termination and non-payment of wages and has prayed before the Labour Court for payment of ₹2,70,000 towards non-payment of wages. The matter is presently pending and the next date of hearing is July 11, 2024.

iv. ***H. V. Connecting Infra Private Limited, through its Director Vijay Lalsingh Yadav vs. Shivalay Infrastructure and Ors. – Private Cr. Case 42929 of 2019***

H. V. Connecting Infra Private Limited, through its Director Vijay Lalsingh Yadav, one of our Promoters (“**Complainant**”) filed a Private Criminal Case bearing number 42929 of 2019 (“**Complaint**”) before the Hon’ble Additional Senior Civil Judge and Magistrate First Class, Surat (“**Court**”) against Shivalay Infrastructure (“**Accused 1**”) and Piyushbhai Goswami (“**Accused 2**”), (collectively, “**Accused**”) under section 138 of the Negotiable Instruments Act, 1881. The Complainant contends that they sold goods to the Accused on credit and the Accused were liable to

pay ₹ 1,72,690 (“**Outstanding Amount**”) to the Complainant. The Accused issued a cheque bearing number 000137 dated May 18, 2019 drawn on Shri Kadi Nagrik Sahkari Bank Ltd., Kadigunj Bazar, Kadi towards outstanding amount. However, upon depositing the said cheque the Complainant received a return memo with instructions “funds insufficient”. Therefore, the present Complaint is filed before the Court praying to issue notice/ process against the Accused. The Complaint is presently pending and the next date of hearing is May 31, 2024.

- v. **HP Telecom India Private Limited vs. N.K. Ahir and Shri Krishna Sales – Private Cr. Case No. 26866/2018**

For details pertaining to this litigation, please see “*Litigation filed by our Company -Criminal Proceedings - HP Telecom India Private Limited vs. N.K. Ahir and Shri Krishna Sales – Private Cr. Case No. 26866/2018*” of this chapter beginning on page 173.

**2. Material Civil proceedings**

Nil

C. *Tax proceedings*

(₹ in lakhs)

Particulars	No. of cases	Amount involved
Direct Tax	1	0.0041
Indirect Tax	Nil	Nil
<b>Total</b>	<b>1</b>	<b>0.0041</b>

**IV. Material Litigations involving our Group Companies**

A. *Litigation filed against our Group Companies*

**1. Criminal proceedings**

Nil

**2. Outstanding actions by regulatory and statutory authorities**

Nil

**3. Material civil proceedings**

Nil

B. *Litigation filed by our Group Companies*

**1. Criminal proceedings**

Nil

**2. Material civil proceedings**

Nil

**Outstanding dues to creditors**

As per the Restated Consolidated Financial Statements, April 16, 2024 of our profit after tax as at December 12, 2023 was ₹556.93 and accordingly, creditors to whom outstanding dues exceed Rs. 10,00,000 have been considered as material creditors for the purposes of disclosure in the Draft Prospectus.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (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, by our Company, are set out below and the disclosure of the same is available on the website of our Company at: [www.hvciipl.com](http://www.hvciipl.com).

(₹ in Lakhs)

Sr. No.	Type of creditor	No. of creditors	Amount outstanding
1.	Dues to micro, small and medium enterprises		
	(i) Material	1	12.48
	(ii) Non-Material	0	0.00
	<b>Total [A]</b>	<b>1</b>	<b>12.48</b>
2.	Dues to other creditors *		
	(i) Material	5	3270.02
	(ii) Non-Material	9	-2968.02
	<b>Total [B]</b>	<b>14</b>	<b>302.00</b>
	<b>Grand Total [A + B]</b>	<b>15</b>	<b>314.48</b>

\*Further bifurcation of Sr. No. 2 “Dues to other creditors” above: –

(Rs. in Lakhs)

Particulars	Amount
Material	
(i) Trade payables	3270.02
(ii) Less: Advance to suppliers [current year] **	0.00
<b>Total</b>	<b>3270.02</b>
Non-Material	
(i) Trade payables	11.99
(ii) Less: Advance to suppliers [current year] **	2980.01
<b>Total</b>	<b>-2968.02</b>

\*\*Advances to suppliers made before March 31, 2023, are shown in Note No. 3.4, “Short-Term Loans and Advances,” of the restated financial statements.

### Material Developments

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Material Developments Subsequent To December 31, 2023*" on page 157 of this Draft Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Issue and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in the section "Risk Factors" beginning on page 21, these material approvals are valid as of the date of this Draft Prospectus. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 102.

Our Company was converted to a public limited company and the name of our Company changed to 'HP Telecom India Limited' and fresh certificate of incorporation dated February 26, 2024, was issued by the RoC. The CIN of our Company is U51395GJ2011PLC064616. Our Company is in the process of submitting the necessary application(s) with all regulatory bodies for change of its name in the approvals, licenses, registrations and permits issued to our Company.

### I. Material approvals obtained in relation to the Issue

- a. The Board of Directors has, pursuant to a resolution passed at its meeting held on April 16, 2024, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
- b. The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on April 22, 2024, authorized the Issue under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
- c. The Company has obtained the in-principle listing approval from the NSE Emerge, dated [●].

### II. Material approvals obtained in relation to our business and operations

Our Company have obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

#### A. Incorporation details of our Company

- a. Our Company was originally incorporated as a private limited on March 26, 2011, issued by the Registrar of Companies, Ahmedabad.
- b. Fresh Certificate of Incorporation dated February 26, 2024 issued to our Company by the RoC, pursuant to the conversion of our Company from private limited to public limited and the ensuing change in the name of our Company from "HP Telecom India Private Limited" to "HP Telecom India Limited".

### I. Tax Related Approvals

Serial No.	Description	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AACCH6197C	Income Tax Department, Government of India	March 26, 2011	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	SRTH02024B	Income Tax Department, Government of India	April 1, 2011	Valid until cancelled
3.	GST registration certificate -	24AACCH6197C1ZP	Goods and Services Tax Department	July 6, 2023	Valid until cancelled

Serial No.	Description	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
	Gujarat				
4.	GST registration certificate - Maharashtra	27AACCH6197C2ZI	Goods and Services Tax Department	May 13, 2024	Valid until cancelled
5.	GST registration certificate - Madhya Pradesh	23AACCH6197C1ZR	Goods and Services Tax Department	June 8, 2023	Valid until cancelled
6.	GST registration certificate - Karnataka	29AACCH6197C1ZF	Goods and Services Tax Department	November 15, 2019	Valid until cancelled
7.	GST registration certificate - Chhattisgarh	22AACCH6197C1ZT	Goods and Services Tax Department	May 30, 2023	Valid until cancelled
8.	GST Registration Certificate - Uttar Pradesh	09AACCH6197C1ZH	Goods and Services Tax Department	February 1, 2024	Valid until cancelled
9.	Professional Tax Certificate of Enrolment - Gujarat	PEC03SW14242	Profession Tax Officer, Surat Municipal Corporation	October 10, 2020	Valid until cancelled
10.	Professional Tax Certificate of Registration - Gujarat	PEC03SW00014242	Profession Tax Officer, Surat Municipal Corporation	May 21, 2024	Valid until cancelled
11.	Professional Tax Certificate of Registration - Gujarat	PEC03SW00038675	Profession Tax Officer, Surat Municipal Corporation	May 23, 2024	Valid until cancelled
12.	Professional Tax Certificate of Registration - Gujarat	PEC010520099159	Profession Tax Officer, Amdavad Municipal Corporation	-*	Valid till cancelled
13.	Professional Tax Certificate of Registration - Gujarat	PEC020391477	Profession Tax Officer, Vadodara Municipal Corporation	-*	Valid till cancelled
14.	Professional Tax Certificate of Registration - Gujarat**	PEC020711884	Profession Tax Officer, Vadodara Municipal Corporation	-*	Valid till cancelled
15.	Professional Tax Certificate of Enrolment - Karnataka	1060939400	Professional Tax Officer, Bengaluru	May 16, 2024	Valid until cancelled

Serial No.	Description	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
16.	Professional Tax Certificate of Registration – Madhya Pradesh	78129297406	Commercial Tax Officer, Indore Circle	April 30, 2024	Valid till cancelled

\* The Professional Tax Registration Certificate for our establishment located at Ahmedabad and Vadodara, Gujarat is not traceable.

\*\* Our Company had obtained Professional Tax Registration Certificate for its establishment in Vadodara, Gujarat in the name of private limited. The Company shall apply for cancellation of this Professional Tax Registration Certificate as we have obtained new Professional Tax Registration Certificate pursuant to conversion from private to public limited Company.

## II. Regulatory approvals of our Company

Serial No.	Description	Registration No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Shops and Establishment Intimation Receipt - Gujarat	IR/AZ/S/BHATAR/82250	Shops and Establishment Department, Surat Municipal Corporation	May 2, 2025	Valid till cancelled
2.	Shops and Establishment Intimation Receipt - Gujarat	IR/AZ/S/UMARA/82861	Shops and Establishment Department, Surat Municipal Corporation	May 22, 2025	Valid till cancelled
3.	Shops and Establishment Registration Certificate – Madhya Pradesh	BHOP240326SE018899	District Labour Office, Bhopal	March 28, 2024	Valid till cancelled
4.	Shops and Establishment Registration Certificate – Madhya Pradesh	INDO240324SE018017	District Labour Office, Indore	March 26, 2024	Valid till cancelled
5.	Shops and Establishment Registration Certificate - Karnataka	49/181/CE/0051/2024	Office of Senior Labour Inspector – Circle 49	March 20, 2024	December 12, 2028
6.	Shops and Establishment Intimation Receipt - Maharashtra	2410200318859549	Office of Assistant Labour Commissioner	May 21, 2024	Valid till cancelled
7.	Shops and Establishment Registration Certificate – Uttar Pradesh	UPSA10733241	Labour Department, Uttar Pradesh	April 17, 2024	Valid till cancelled
8.	UDYAM Registration Certificate	UDYAM-GJ-22-0180239	Ministry of Micro, Small and Medium Enterprises	August 30, 2022	Valid until cancelled

## III. Material approvals or renewals for which applications are currently pending before relevant authorities



Sr. No.	Details of Application	Application number	Date of Application
1.	Application to Raipur Municipal Corporation for Trade License.	4621012401003026	April 5, 2024
2.	Application to Raipur Municipal Corporation for Shops and Establishment Registration	4622012401003346	April 5, 2024
3.	Application to Profession Tax Department, Rajkot Municipal Corporation for its establishment in Rajkot	439	May 21, 2024
4.	Application to Surat Municipal Corporation for Shop and Establishment Registration - 1st Floor, 117-Saffron Complex, Near Bull Circle Fateh Gunj, Vadodara, Gujarat – 390002	SHOP-IR-2024-04-26-0000003	April 25, 2024

**IV. Material approvals expired and renewal yet to be applied for**

Nil

**V. Material approvals required but not obtained or applied for**

Sr.no	Description	Place
1.	Professional Tax Registration Certificate	Karnataka
2.	Professional Tax Registration Certificate and Professional Tax Enrolment Certificate	Maharashtra
3.	Shops and Establishment Registration Certificate	Rajkot, Gujarat
4.	Shop and establishment Registration Certificate	Ahmedabad, Gujarat
5.	Shop and establishment Registration Certificate	Vapi, Gujarat

**VI. Intellectual Property**

As on the date of this Draft Prospectus, our Company does not have any registered trademark under the Trademarks Act, 1999.

For risk associated with our intellectual property please see, "*Risk Factors*" on page 21.

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## OUR GROUP COMPANIES

As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies which is covered under the applicable Accounting Standard (AS-18) as per the Restated Financial Statements of our Company. Further in addition to it, pursuant to a resolution of our Board dated March 13, 2024 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if any such company is an Associate Company of our Company or our Company is an Associate Company of such Company.

Except as stated below, there are no company which is considered material by the Board of Directors of our Company to be identified as Group Company

Based on the above criteria, laid out by the SEBI ICDR Regulations and our Materiality Policy, our Board has identified: HV Connecting Infra India Private Limited as the group company of our Company as on the date of this Draft Prospectus.

### Details of our Group Company

#### 1. HV Connecting Infra (India) Private Limited

HV Connecting Infra (India) Private Limited was incorporated on January 25, 2008 under the erstwhile Companies Act, 1956. The registered office of HV Connecting Infra (India) Private Limited is situated at H-25, Sajnee Complex opposite Surya Complex, City Light Road, Surat Gujarat-395007.

### Board of Directors

Sr. No.	Name of the Directors	Designation	DIN Number
1	Vijay Lalsingh Yadav	Director	01990164
2	Seemabahen Vijay Yadav	Director	02008064

### Financial performance:

Certain financial information derived from the audited financial statements of HV Connecting Infra (India) Private Limited for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, as required by the SEBI ICDR Regulations, are available on our Company's website at [●] Further the following are the financials of our group company

Particulars	(Rs. In Lakhs)		
	2020-21	2021-22	2022-23
Share Capital	800.00	800.00	800.00
Reserves (excluding revaluation reserve)	1087.06	1297.80	1692.91
Revenue from Operations	39884.53	42411.83	42312.84
Other Income	1762.05	1532.38	371.46
Profit After Tax	251.96	269.04	439.82
Earnings Per Share/ Diluted Earnings Per Share (In Rs.)	3.15	3.36	5.50
Net Assets Value (In Rs.)	23.59	26.22	31.16

### **Interest of Group Company in our Company**

#### *(a) In the promotion of our Company or business interests in our Company*

None of our Group Company has any interest in the promotion of our Company. Except as disclosed in the section "**Other Financial Information-Related Party Transactions**" on page 170, none of our group company has any business interest in our Company.

#### *(b) In the properties acquired by our Company in the past three years preceding the filing of this Draft Prospectus or proposed to be acquired*

None of our Group Company has any interest in the properties acquired by our Company in the three years preceding the filing of this Draft Prospectus or that are proposed to be acquired by our Company

**(c) In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Company has any interest in any transactions for the acquisition of land, construction of building or supply of machinery.

**Common Pursuits amongst the Group Company with our Company**

HV Connecting Infra (India) Private Limited is engaged in a similar line of business as that of the Company. While there may be instances of competition with HV Connecting Infra (India) Private Limited, we believe that there is no conflict of interest with it. For risks relating to the same, please see "**Risk Factors – Certain entities in our group have common pursuits as they are engaged in similar business or industry segments and may compete with us**" on page 21. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

**Related Business Transactions with our Group Company and significance on the financial performance of our Company**

Except as set forth in "**Restated Financial Information - Note 8 – Related Party Transactions**" on page 151, no other related party transactions have been entered into between our Group Company and our Company.

**Business Interests of Group Company**

Except as set forth in "**Restated Financial Information - Note 8 – Related Party Transactions**" on page 151 and in the ordinary course of business, our Group Company does not have or currently propose to have any business interest in our Company.

**Litigations**

Except as disclosed in the "**Outstanding Litigation and Material Development**" on page 173. Our Group company is not party to any pending litigation which will have a material impact on our company.

**Confirmations**

Our Group Company does not have any securities listed on a Stock Exchange. Further, our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Prospectus.

It is clarified that details available on the website of our Group Company and our Company do not form part of this Draft Prospectus. Anyone placing reliance on any other source of information, including the websites of Company or our Group Company mentioned above, would be doing so at their own risk.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE OFFER**

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on April 16, 2024, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1)(c) vis-à-vis of the Companies Act, 2013.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 62(1) (c) vis-à-vis of the Companies Act, 2013 at the EGM of our Company held on April 22, 2024.

We have received In- Principle Approval from NSE Emerge vide their letter dated [•] to use the name of NSE in the Prospectus for listing of our Equity Shares on SME Platform of NSE Emerge. NSE is the Designated Stock Exchange.

### **PROHIBITION BY SEBI**

Our Company, Promoter, Promoter Group and Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

### **CONFIRMATION**

1. Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Prospectus.
2. Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoters or directors in past (5 five) years.

### **DECLARATION AS WILFUL DEFAULTERS & FUGITIVE ECONOMIC OFFENDER**

Neither our Company, our Promoters, our Directors, have been identified as a willful defaulter or a fugitive economic offender by the RBI or other government authorities.

### **ELIGIBILITY FOR THE ISSUE**

Our company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up (face value) capital is more than ten crores and upto twenty five crore, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Platform", in this case being the NSE Emerge). Our Company also complies with eligibility conditions laid by SME Platform of NSE Emerge for listing of Equity Shares.

### **We confirm that:**

1. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, the lead manager shall ensure that the issuer shall file copy of the draft Prospectus/prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus/Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see “General Information” on page no. 47 of this Draft Prospectus.

3. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four working days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of four days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable laws.
4. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “General Information” on page no. 47 of this Draft Prospectus.

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, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**1. The issuer should be a Company incorporated Under Companies Act, 1956/2013**

Our Company is incorporated under the Companies Act, 1956

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital (face value) of the Company will be Upto [●] Crore, less than ₹25 crores.

**3. Track Record**

**(A) The Company should have Track Record of at least 3 years.**

Our Company was incorporated on March 26, 2011, under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by Registrar of Companies. Therefore, we are in compliance with criteria of having track record of 3 years

**(B) The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.**

(₹ in lakhs)

Particulars	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Operating profit (EBIDT) from operations for at least any 2 out of 3 financial years.	1,365.76	1,285.32	485.36	359.34
Net worth as per Restated Financial statement	2,607.89	2,050.96	1,546.15	1,133.05

**4. Other Requirements:**

**We confirm that**

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

There is no winding up petition against the company that has been admitted by the NCLT/ Court and accepted by a court or a Liquidator has not been appointed.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the NSE Emerge.

## **Disclosures**

We confirm that

- i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Promoters/promoting Company(ies), group companies, companies promoted by the Promoters/promoting companies of the Company.
- ii. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoters/promoting Company(ies), group companies, companies promoted by the Promoters/promoting Company(ies) during the past three years.

## **SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, INTERACTIVE FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE 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 LEAD MANAGER INTERACTIVE FINANCIAL SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED MAY 25, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.**

## **Disclaimer Clause of the NSE Emerge of NSE:**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [•] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to

apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **CAUTION- DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE LM**

Our Company, our Directors, and the LM accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website: [www.hvciipl.com](http://www.hvciipl.com) or any website of any affiliate of our Company, any of the Group Companies, would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriter, and our Company. All information shall be made available by our Company and the LM to the public and investors at large including our website: [www.hvciipl.com](http://www.hvciipl.com), [www.ifinservices.in](http://www.ifinservices.in) would be doing so at their own risk 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 Bidding centres or elsewhere.

None among our Company, or any member of the Syndicate is liable for any failure in uploading the Applications due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, any FII sub – account registered with SEBI which is a foreign corporate or foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever required, agrees that such applicant will not sell or transfer any Equity Share 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.

## **LISTING**

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE EMERGE”). NSE EMERGE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being Issued.

If the permission to deal in the Equity Shares is not granted by NSE EMERGE, our Company will forthwith repay, without interest, all monies received from the Applicants in pursuance of the Draft Prospectus will be liable to reimburse our Company for such repayment of monies, on its behalf. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

## **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of 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 ten lakh 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 ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## **CONSENTS**

The written consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers’ to the Company, Legal Advisor to the Issue, the Lead Manager to the Issue, Underwriter, Registrar to the Issue, Market Makers and Banker’s to Issue & Sponsor Bank to act in their respective capacities to be obtained.



Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of filing of the Prospectus for registration with the ROC. – **NOTED FOR COMPLIANCE**

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. ASLOT AND ASSOCIATES, Statutory Auditor and Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, restated financial statements dated April 16, 2024 and statement of Tax Benefits dated May 01, 2024, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

Further, such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus. – **NOTED FOR COMPLIANCE**

#### **EXPERT OPINION**

Except for Peer Review Auditors’ reports on the restated financial statements issued by M/s. ASLOT AND ASSOCIATES, and Statement of Tax Benefits issued by M/s. ASLOT AND ASSOCIATES., Chartered Accountants; we have not obtained any other expert opinions.

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

Company has not made any Public or Right issue during last five years.

#### **COMMISSION OR BROKERAGE**

We have not made any public issue in last five years. Hence, no sums have been paid or payable as Commission or Brokerage.

#### **COMMISSION PAYABLE TO SCSBS**

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However, in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹ 10/- per ASBA Application Form processed by them.

#### **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

#### **PERFORMANCE VIS-À-VIS objects;**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 56 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last 5 years and are an “Unlisted Issuer” in terms of SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies and Promoter Group Companies have their equity shares listed on any stock exchange.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Interactive Financial Services Ltd, 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 [www.ifinservices.in](http://www.ifinservices.in)

#### **Disclosure Of Price Information Of Past Issues Handled By Interactive Financial Services Ltd**

Sr.	Issue Name	Issue	Iss	Listing	Openi	+/- %	+/- %	+/- %
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No.		Size (Cr)	ue Price (₹)	date	ng price on listing date	change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
<b>MAIN BOARD IPO</b>								
1	SRM Contractors Limited*	130.20	210	April 03,2024	215.25	-5.17% (+0.59%)	NA	NA
<b>SME IPO</b>								
1.	Prospect Commodities Limited (BSE SME)	7.47	61	March 20, 2023	61.00	+11.89% (+3.64%)	+16.39% (+9.61%)	+16.85% (+17.72)
2.	Sahana System Limited (NSE EMERGE)	32.74	135	June 12, 2023	163.00	+10.59% (+4.50%)	+94.26% (+7.50%)	+321.67% +12.73%
3.	Bizotic Commercial Limited (BSE SME)	42.21	175	June 23, 2023	180.00	-67.91% (+5.41%)	-63.14% (+6.07%)	-69.38 (+13.43%)
4.	Tridhya Tech Limited (NSE EMERGE)	26.41	42	July 13, 2023	42.00	-1.19% (+0.07%)	-2.26% (1.42%)	-17.14% (+10.81%)
5.	Crop Life Science Limited (NSE EMERGE)	26.73	52	August 30, 2023	55.95	-20.00% (+0.91%)	-19.23% (+2.80%)	-9.13% (+14.34%)
6.	Vivaa Tradecom Limited (BSE SME)	7.99	51	October 12, 2023	40.80	-45.49% (-2.26%)	-41.18% (+7.50%)	-39.31% (+12.55%)
7.	Vrundavan Plantation Limited (BSE SME)	15.30	108	November 06, 2023	107.00	-42.59% (+6.68%)	-50.93% (+10.43%)	-51.85 (+13.73)
8.	Kalaharidhann Trendz Limited (NSE EMERGE)	22.49	45	February 23,2023	47.15	-7.78% (-0.94%)	4.67% (6.68)	NA
9.	Teerth Gopicon Limited (NSE EMERGE)	44.39	111	April 16,2024	125.00	99.41% (+0.24%)	NA	NA
10	DCG Cables and Wires Limited (NSE Emerge )	49.99	100	April 16,2024	90.00	-4.45% (+0.24%)	NA	NA

Sources: All share price data is from [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

\*Designated stock Exchange of SRM Contractors Limited is NSE Limited.

**Note:**

1. The BSE Sensex is considered as the Benchmark Index
2. Prices on BSE are considered for all of the above calculations
3. NA where the periods are not completed
4. NIFTY50 has considered as the benchmark index of NSE

As per SEBI Circular No.CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

#### SUMMARY STATEMENT OF DISCLOSURE

Financial Year	Total no. of IPOs	Total Funds raised (₹ in cr.)	Nos. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Between 25% □ 50%	Less than 25%	Over 50%	Between 25% □ 50%	Less than 25%	Over 50%	Between 25% □ 50%	Less than 25%	Over 50%	Between 25% □ 50%	Less than 25%
			2022-23	6	231.17	2	2	NA	1	NA	1	3	1	NA
2023-24	7	173.87	1	2	3	NA	NA	1	1	1	2	1	NA	NA
2024-25	3	224.58	NA	NA	2	1	NA	NA	NA	NA	NA	NA	NA	NA

#### Track Record of past issues handled by Interactive Financial Services Limited

For details regarding track record of the Lead Manager to the Offer 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 Lead Manager at: [www.ifinservices.in](http://www.ifinservices.in).

#### STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

#### MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

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 and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

#### DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI 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 Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on January 12, 2024. For further details, please refer the chapter titled “*Our Management*” on page 112 of Draft Prospectus.

Our Company has also appointed Ishita Shah as the Company Secretary and Compliance Officer of our company, for this Issue he may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Barkha Jain**

HP Telecom India Limited

**Registered Address:** Plot No. 97, 1 st Floor, Om Square,  
Near Ishwar Farm, BRTS Canal Road,  
Bhatar, Althan, Surat, Gujarat - 395017,

**Tel No: +91 9825309977**

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

**E-mail:** [hvciipl@gmail.com](mailto:hvciipl@gmail.com)

## SECTION VII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, 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(s), the RBI, RoC 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 the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the Issue.

### AUTHORITY FOR THE PRESENT ISSUE

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on 16 April, 2024 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on 22 April, 2024 pursuant to section 62(1)(c) of the Companies Act.

### RANKING OF EQUITY SHARES

The Equity Shares being offered and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment/transfer in accordance with the provisions of the Companies Act and the Articles of Association. For further details, please refer to chapter titled "*Description of Equity Shares and Terms of Articles of Association*" on page 231.

### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Any dividends declared after the date of Allotment will be received by the Allottees, for the entire year, in accordance with applicable law. For more information, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 125 and 231, respectively.

### FACE VALUE AND ISSUE PRICE

The Equity Shares having a face value of ₹10 each are being offered in terms of this Draft Prospectus at the price of ₹[●] per Equity Share. The Issue Price will be determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis of Issue Price*" on page 71.

### Compliance with disclosure and accounting norms

Our Company shall comply with all disclosures and accounting norms as specified by the SEBI from time to time.

### RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, 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 and e-voting, in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to all statutory and preferential claim 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 company under the Companies Act, the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 231.

#### **ALLOTMENT ONLY IN DEMATERIALISED FORM**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite agreement dated April, 16, 2024, between our Company, NSDL and the Registrar to the Issue.
- Tripartite agreement dated April 25, 2024, between our Company, CDSL and the Registrar to the Issue.
- The Company's shares bear ISIN – INE0VA601019

#### **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 Emerge Platform of NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 800Equity Share subject to a minimum allotment of 800Equity 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 ₹1.00 Lakh per application.

#### **MINIMUM NUMBER OF ALLOTTEES**

In accordance with Regulation 268(1) of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within two (2) Working days of closure of Issue.

#### **JOINT HOLDERS**

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Surat.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 ("Securities Act") and may not be issued or sold within the United States (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 are only being issued and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those Issue and sales occur.**

#### **NOMINATION FACILITY TO INVESTORS**

In accordance with Section 72(1) and 72(2) of the Companies Act, the sole or first applicant, along with other

joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72(3) of the Companies Act, 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 accordance to Section 72(4) of the Companies Act, 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 Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, shall upon the production of such evidence as may be required by the Board, 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, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

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

Our Company in consultation with the LM, reserve the right to not proceed with the Issue, in whole or in part thereof, after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within 2 days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The LM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants and the Escrow Collection Bank to release the application amounts to the Investors, within 1 Working Day from the date of receipt of such notification. Our Company shall also inform the same to the NSE on which the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Issue, the LM will submit reports of compliance with T+3 listing timelines and activities, identifying non adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding within such time period as required under applicable laws from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum, whichever is higher for the entire duration of delay exceeding 2 Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

If our Company in consultation with the LM withdraws the Issue after the Issue Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh Draft Prospectus with SEBI and the Stock Exchanges. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC.

#### **ISSUE PROGRAM**

<b>Issue Opens on</b>	[●]
<b>Issue Closes on</b>	[●]

**An indicative timetable in respect of the Issue is set out below:**

Event	Indicative Date
Issue Closing Date	On or about [●]
Finalisation of Basis of Allotment with the NSE Emerge	On or about [●]
Initiation of Refunds / unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat account of the Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

\*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 Rs 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 Rs 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 Rs 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs 100 per day or 15% per annum of the application amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The LM shall be liable for compensating the Applicant at a uniform rate of Rs 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. The Applicant shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The processing fees for applications made by UPI Applicant for an amount of more than ₹ 2,00,000 and up to ₹ 5,00,000, using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022

**The above timetable, other than the Issue Closing Date, is indicative and does not constitute any obligation on our Company or the LM.**

**SEBI is in the process of streamlining and reducing the post issue timeline for initial public offers and has vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 notified the proposal for reducing the time period for listing of shares in public issue from existing 6 days to 3 days. The revised timeline of T+3 days has been made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

**In terms of the UPI Circulars, in relation to the Issue, the LM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Application/ Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 3 Working Days, of the Issue Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Issue Period by our Company in consultation with the LM, revision of the Price or any delay in receiving the final listing and trading approval from the Stock**



**Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.**

**Submission of Applications (other than Bids from Anchor Investors):**

<b>Issue Period (except the Issue Closing Date)</b>	
Submission and Revision in Applications	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
<b>Issue Closing Date*</b>	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) –For Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12.00 p.m. IST
<b>Modification/ Revision/cancellation of Bids</b>	
Modification of Bids by QIBs and Non-Institutional Bidders categories and modification/cancellation of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion <sup>#</sup>	Only between 10.00 a.m. and up to 5.00 p.m. IST

\* UPI mandate end time and date shall be at 5.00 pm on Bid/Issue Closing Date.

<sup>#</sup> QIBs and Non-Institutional Bidders can neither revise their Bids downwards nor cancel/withdraw their Bids

**On the Issue Closing Date, the Applications shall be uploaded until:**

- i. 4.00 p.m. IST in case of Applications by QIBs and Non-Institutional Applicants, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of applications by Retail Individual Investors and other reserved categories.

On Issue Closing Date, extension of time will be granted by Stock Exchange only for uploading Applications received by Retail Individual Investors after taking into account the total number of Applications received and as reported by the LM to the Stock Exchange.

It is clarified that Applications not uploaded on the electronic application system or in respect of which the full application amount is not blocked in the relevant ASBA Account, would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and in any case, not later than 1:00 P.M. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public offerings in India, it may lead to some applications may not get uploaded due to lack of sufficient time. Such applications that could not be uploaded on the electronic bidding systems were not considered for allocation under this Issue. Bids and any revisions in bids will only be accepted during the working days, during the Issue period. Bids were accepted only during Monday to Friday (excluding any public holiday), during the Issue period. Investor may please note that as per letter number list/smd/sm/2006 dated July 3, 2006 and letter number NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in the bids would not be accepted on Saturdays, Sundays and Public Holiday as declared by the stock exchanges. Bids by ASBA bidder were uploaded by the designated intermediary in the electronic system to be provided in the stock exchange. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing. None of our Company or any member of the Syndicate shall be liable for any failure in uploading the Applications due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved

in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

#### **MINIMUM SUBSCRIPTION**

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, this Issue is 100% underwritten, so this Issue is not restricted to any minimum subscription level.

As per Section 39 of the 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 Draft 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 issue document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond 4 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 2013 and applicable law.

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, the Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire one hundred percent of the Issue through this Draft 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 ₹ 1,00,000 (Rupees One Lakh) 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 SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge platform of NSE.

#### **APPLICATION BY ELIGIBLE NRIS, FPIS / 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 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 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 Promoter's minimum contribution in the Issue as detailed in the section titled, "*Capital Structure*", on page 56, 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, "*Description of Equity Shares and Terms of Articles of Association*", on page 231.

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 Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the 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 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 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**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful Applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

#### **MIGRATION TO MAIN BOARD**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the Emerge Platform on a later date subject to the following:

- a) If the Paid-up Capital of our Company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid-up Capital of our company is more than ₹ 10 crores and the capitalization of our equity is more than ₹25 crores and our company have been listed on Emerge Platform for at least two years, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **MARKET MAKING**

The Equity Shares offered through this Issue are proposed to be listed on the Emerge Platform of NSE, wherein the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the NSE for a minimum period of 3 years from the date of listing on the NSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to Section titled, "**General Information - Details of the Market Making Arrangements for this Issue**", on page 47.

## **JURISDICTION**

The competent courts / authorities in Surat will have exclusive jurisdiction for the purpose of this Issue.

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.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ₹10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the SME Platform of NSE Emerge). For further details regarding the salient features and terms of such an Issue, please refer chapter titled "**Terms of the Issue**" and "**Issue Procedure**" on page 194 and 204 respectively.

The present initial public offer is up to 31,69,200 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] lakhs which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on April 16, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on April 22, 2024 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013. The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post Issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Fixed Price Process:

Particulars	Market Maker Reservation Portion	Non-Institutional Applicants	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
<b>Percentage of Offer Size available for allocation</b>	[●] % of the Offer Size	50.00% of the net offer shall be available for allocation	50.00% of the net offer shall be available for allocation
<b>Basis of Allotment</b>	Firm Allotment	Proportionate	Proportionate subject to minimum Lot as explained in the section titled " <b>Issue Procedure</b> " on page 204.
<b>Mode of Application</b>	Only through the ASBA process	Through ASBA Process through banks or by using UPI ID for payment, as applicable	Through ASBA Process through banks or by using UPI ID for payment
<b>Mode of Allotment</b>	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
<b>Minimum Application Size</b>	[●] Equity Shares	Such number of Equity shares in multiple of [●] Equity shares that Application size exceeds ₹2,00,000	Such number of Equity shares in multiple of [●] Equity shares that Application size does not exceed ₹2,00,000
<b>Maximum Application Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the offer, subject to limits as applicable to the Applicant	Such number of Equity shares in multiple of [●] Equity shares that Application size does not exceed ₹2,00,000
<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	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full application amount shall be blocked by the SCSBs in the bank account of the Applicant that is specified in the Application Form at the time of submission of the Application Form		

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations as amended from time to time. For further details please refer to "*Issue Structure*" on page 202.

The Present Issue is a fixed price offer, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI ICDR Regulations shall be made as follows:

- i. Minimum fifty percent to Retail Individual Investors; and
- ii. Remaining to:
  - individual applicants other than Retail Individual Investors; and
  - Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for

Provided the unsubscribed portion in either of the categories specified in (i) or (ii) above may be allocated to the applicants in the other category.

If the Retail Individual Investor category is entitled to more than fifty percent of the offer size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

**Note:** Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, the Underwriter, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

In case of joint applications, the Application Form should contain only the name of the first applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first applicant would be required in the Application Form and such first applicant would be deemed to have signed on behalf of the joint holders.

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

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, 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 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 offer document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final Listing and Trading Approvals 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 PROCEDURE

All Applicants should read the General Information Document for investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Application Form. The General Information Document is available on the websites of the Stock Exchanges and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Applications by RIIs/UPI Applicant through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Issue; (v) General instructions (limited to instructions for completing the Application Form); (vi) designated date; (vii) disposal of applications; (viii) submission of Application Form; (ix) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (x) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xi) mode of making refunds; and (xii) interest in case of delay in Allotment or refund.

SEBI vide the UPI Circulars, 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 up to June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications 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 Applications with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Applicants ("**UPI Phase III**"), and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue has been made under UPI Phase III of the UPI Circular on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. The Issue will be advertised in all editions of an English national daily newspaper, (ii) all editions of a Hindi national daily newspaper, and (iii) Gujarati editions of the [●] daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is located) on or prior to the Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. This circular is effective for initial public issues opening on or after May 01, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Prospectus.

Furthermore, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, has mandated all individual investors applying in the Issue up to ₹5,00,000 to use the UPI Mechanism for submitting their Applications with (i) a Syndicate Member; (ii) a Registered Broker at the Broker Centre; (iii) a Collecting Depository Participant; and (iv) the Registrar to the Issue.

Subsequently, pursuant to the May 30, 2022 Circular, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to 2 Working Days. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 2 Working Days from the Application/ Issue Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking of amounts in the ASBA Accounts.

Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Further, our Company and the LM are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.

#### **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued a circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, 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 no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the "**UPI Circulars**") in relation to streamlining the process of public issues of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI circular proposes to introduce and implement the UPI payment 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 Investor 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 the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

**Phase III:** This phase has become applicable on a mandatory basis for all public issues opening on or after December 1, 2023 as per the SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI from time to time.

All SCSBs issuing facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. Our Company 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 Investors into the UPI payment mechanism.



Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Applicants to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the LM will be required to compensate the concerned investor.

The Issue will be made under UPI Phase III of the UPI Circular. All SCSBs issuing facility of making application in public issues shall also provide facility to make application using UPI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. NPCI vide circular reference no. NPCI/UPI/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹2,00,000 to ₹5,00,000 for UPI based ASBA in initial public offerings.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

#### **FIXED PRICE PROCEDURE**

The Issue is being made in compliance with the provisions of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations and through the Fixed Price Process wherein 50% of the Net Issue to Public is being issued to the Retail Individual Investors and the balance will be issued to individual applicants other than Retail Individual Investors and other investors including Corporate Bodies or Institutions, i.e., QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to valid Applications 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 the Retail Portion where Allotment to each Retail Individual Investors shall not be less than the minimum 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. Undersubscription, 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 Lead Manager and the Stock Exchange.

**Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

#### **APPLICATION FORM**

Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries and at the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the website of the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. RIIs are mandatorily required to use the UPI Mechanism for submitting their Applications to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their Applications directly to SCSBs.

An electronic copy of the Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Issue Opening Date.

RIIs applying using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Applicants (including Applicants using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. RIIs using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the Applications are made on ASBA Forms bears the stamp of the Designated Intermediary, submitted at the Collecting Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIIs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Application Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Applicants must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Application. For all initial public offerings opening on or after September 1, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges were required to accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular is applicable for all categories of investors, i.e. RII, QIB, NII and other reserved categories and also for all modes through which the applications are processed. Since the Issue is made under Phase III (on a mandatory basis), ASBA Bidders could submit the ASBA Form in the manner below:

- (i) RIIs (other than the RIIs using UPI Mechanism) could 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) UPI Bidders using the UPI Mechanism, could submit their ASBA Forms with the Syndicate, Sub Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIIs not using the UPI Mechanism could submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

Investors were required to ensure that their PAN is linked with Aadhaar and were in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021. Pursuant to the press release dated March 28, 2023, the last date for linking PAN and Aadhaar has been extended to June 30, 2023.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White

\*Excluding electronic Application Form

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic application system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

For RIIs using UPI Mechanism, the Stock Exchange shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every application entered in the Stock Exchange applying platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Issue. The LM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular Nos. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Bank will undertake a reconciliation of Application 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 Application requests and responses throughout their lifecycle on daily basis and share reports with the LM 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 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.

The Sponsor Bank hosted a web portal for intermediaries (closed user group) from the date of Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Offer Bidding process.

Applicants shall only use the specified Application Form for making an Application in terms of the Draft Prospectus.

The Application Form contained information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants were 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 application form to any of the following intermediaries (collectively called – "**Designated Intermediaries**"):

1. An SCSB, with whom the bank account to be blocked, is maintained
2. A syndicate member (or sub-syndicate member)
3. A stockbroker 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 Issue and share transfer agent ("**RTA**") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic application system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSBs:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic application system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic application system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic application 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 application details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Draft Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

**WHO CAN APPLY?**

**ELECTRONIC REGISTRATION OF APPLICATIONS**

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for issue on a regular basis before the closure of the Issue.

On the Issue Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next working day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange(s) send the Application information to the Registrar to the Issue for further processing.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in**

**Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- 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 Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the 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 and sub-accounts of FPIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FPIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹25 crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds with minimum corpus of ₹25 crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Insurance funds set up and managed by army, navy or air force of the Union of India;

- s) Multilateral and bilateral development financial institution;
- t) Eligible QFIs;
- u) Insurance funds set up and managed by army, navy or air force of the Union of India;
- v) Insurance funds set up and managed by the Department of Posts, India;
- w) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them;
- x) Applications not to be made by:
  - Minors (except through their Guardians);
  - Partnership firms or their nominations;
  - 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 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under the 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 prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹2,00,000.

##### **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the application amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant 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 Applicants, who are individuals, have to ensure that the application amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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.**

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. 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 over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio). For applications where the proportionate allotment works out to less than [●] Equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted [●] Equity shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the drawl 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 (2) above.
3. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] Equity shares subject to a minimum allotment of [●] Equity shares.
4. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
5. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage
  - b. The balance net offer of shares to the public shall be made available for allotment to:
    - (i) Individual applicants other than retails individual investors and
    - (ii) Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
    - (iii) The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.
6. 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 Stock Exchange. The Executive Director/Managing Director of the Stock Exchange, in addition to Lead Manager and Registrar to the 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.

**PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTERS, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. The Promoters, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

Neither (i) the Lead Manager or any associates of the Lead Manager, except Mutual Funds sponsored by entities which are associates of the Lead Manager or insurance companies promoted by entities which are associate of Lead Manager or AIFs sponsored by the entities which are associate of the Lead Manager or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the Lead Manager nor; (ii) any “person related to the Promoters and members of the Promoters Group” shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoters and members of the Promoters Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters and members of the Promoters Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications 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.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any 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.

#### **APPLICATION BY HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full application amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Issue shall be subject to the FEMA Non-Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.



For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 230.

#### **APPLICATION BY FPIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid-up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

In case of Application made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue is advised to use the Application Form for non-residents.

Further, Applications received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Applications from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "MIM Structure") provided such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Application received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Applications, FPIs making multiple Applications using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS (VCF) AND FOREIGN VENTURE CAPITAL INVESTORS (FVCI)**

The SEBI VCF Regulations, 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 AIFs.

The holding by any individual VCF or FVCI 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 FPIs 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 Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDAI Investment Regulations") are set forth below:

- (a) Equity shares of a company: the lower of 10%\* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- (b) 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 a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 ("**IRDA Investment Regulations**").

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company in consultation with the LM reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the 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 non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, 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 Application Form. Failing this, our Company in consultation with the LM, reserves 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 regulations, guidelines and circulars issued by RBI from time to time.

#### **APPLICATIONS BY SCSBS**

SCSBSs participating in the Issue is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. Such SCSBSs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBSs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

**The information set out above is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Prospectus and the Prospectus.**

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

*The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus or the Prospectus. Applicants are advised to make their independent investigations and ensure any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus or the Prospectus.*

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the 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 Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA 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 Application Form, please refer the above-mentioned SEBI link.

#### **METHOD AND PROCESS OF APPLICATIONS**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic application system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the application amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the application amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When an Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
10. The application amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the application amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the 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 Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants 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.

#### **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 Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Issue, the balance amount after transfer will be unblocked by the SCSBs.

The applicants 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 Applicants.

## **PAYMENT MECHANISM**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the application amount in the bank account specified in the 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 Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful 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 Applicant, 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 ICDR Regulations, 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.

## **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 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the 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 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 Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Members, DPs and RTAs shall forward a schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - name of the Applicant;

- IPO Name;
  - Application Form Number;
  - investor category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - number of Equity Shares Applied for;
  - bank account details;
  - locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - bank account number
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
  9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  10. In case of non-retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
  11. 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 Lead Manager are cleared or approved by the Stock Exchanges.
  12. 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 Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the 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 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.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

1. Our Company has entered into an Underwriting Agreement dated [●].
2. A copy of Prospectus will be filled with the RoC in terms of Section 26 of Companies Act, 2013.

#### **PRE - ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Gujarati language daily newspaper (Gujarati being the local language where registered office is situated), each with wide circulation. In the pre- Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. 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 ICDR Regulations.

#### **ISSUANCE OF ALLOTMENT ADVICE IN THE ISSUE**

1. Upon approval of the basis of allotment by the NSE Emerge, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. On the basis of approved Basis of Allotment, the Issue or shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants 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 Applicant.
3. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within such time period as required under applicable laws of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of within such time period as required under applicable laws of the 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.

#### **GENERAL INSTRUCTIONS**

##### **Do's:**

1. check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Applicants application using the UPI Mechanism) in the Application Form and such ASBA Account belongs to you and no one else. UPI Applicants using the UPI Mechanism must mention their correct UPI ID and shall use only his / her own bank account which is linked to such UPI ID;
3. UPI Applicants Application using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
4. UPI Applicants application using the UPI Mechanism shall make Applications only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
5. read all the instructions carefully and complete the Application Form in the prescribed form;
6. ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
7. Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application;
8. each Applicant should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
9. ensure that the Demographic Details are updated, true and correct in all respects;



10. ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
11. ensure that you have funds equal to the application amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Applicants/UPI Applicant using the UPI Mechanism) to make an application in the Issue. Retail Individual Applicants/UPI Applicant using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the application amount are available for blocking, is UPI 2.0 certified by NPCI;
12. if the first applicant is not the bank account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form (for all Applicants other than Retail Individual Applicants/UPI Applicant, applying using the UPI Mechanism);
13. all Applicants should submit their Applications through the ASBA process only;
14. ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
15. retail Individual Applicants and UPI Applicant submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Application is listed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in);
16. ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. ensure that you request for and receive a stamped acknowledgement of your application;
18. retail Applicants using the UPI mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
19. instruct your respective banks to release the funds blocked in accordance with the ASBA process;
20. submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
21. except for Applications (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, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications 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 Applicants 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;
22. ensure that the Demographic Details are updated, true and correct in all respects;
23. 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;
24. ensure that the correct investor category and the investor status is indicated in the Application Form;
25. ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
26. ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
27. ensure that you use only your own bank account linked UPI ID (only for Retail Individual Applicants/UPI Applicant using the UPI Mechanism) to make an application in the Issue;
28. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges 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 Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
29. Applicants, other than Retail Individual Applicants using the UPI Mechanism, shall ensure that they have funds equal to the application amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
  30. ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
  31. in case of ASBA Applicants (other than Retail Individual Investors/UPI Applicant using UPI Mechanism), ensure that while making application through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
  32. once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors/UPI Applicant would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
  33. ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form at the time of submission of the Application;
  34. retail Individual Investors/UPI Applicant who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors/UPI Applicant should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised application amount in the Retail Individual Investors ASBA Account/ UPI Applicant ASBA Account;
  35. retail Individual Applicants/UPI Applicant using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Applicant/UPI Applicant shall be deemed to have verified the attachment containing the application details of the Retail Individual Applicant/ UPI Applicant in the UPI Mandate Request and have agreed to block the entire application amount and authorized the Sponsor Bank to block the application amount specified in the Application Form;
  36. retail Individual Applicants/UPI Applicant applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
  37. retail Individual Applicants using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised application amount and subsequent debit of funds in case of Allotment in a timely manner;
  38. ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Draft Prospectus;
  39. ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
  40. retail Individual Applicants/ UPI Applicant shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date;
  41. the Application Form is liable to be rejected if the above instructions, as applicable, are not complied with; and
  42. UPI Applicants using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Applicants shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular No. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019.

**Don'ts:**

1. do not apply for lower than the minimum Application size;
2. do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. do not use third party bank account or third-party UPI ID linked bank account for making the Application;
4. do not apply by another Application Form after submission of Application to the Designated Intermediary;
5. do not pay the application amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
6. do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
7. do not submit the Application Forms to any non-SCSB bank or our Company;
8. do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
9. do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
10. do not submit more than one Application Forms per ASBA Account;
11. do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
12. do not apply for an application amount exceeding ₹200,000 (for Applications by Retail Individual Applicants);
13. do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Prospectus;
14. do not submit the General Index Register number instead of the PAN;
15. do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
16. do not submit the Application without ensuring that funds equivalent to the entire application amount are blocked in the relevant ASBA Account;
17. if you are a Retail Individual Applicant and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
18. if you are a Retail Individual Applicant/ UPI Applicant and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
19. do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
20. do not submit an application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
21. do not apply 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);
22. do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the application amount) at any stage, if you are a QIB or a Non-Institutional Applicant. Retail Individual Applicants can revise their applications during the Issue Period and withdraw their Applicants on or before the Issue Closing Date;
23. do not apply for shares more than specified by respective Stock Exchanges for each category;
24. do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Applicants or UPI Applicant using the UPI mechanism;
25. do not submit incorrect UPI ID details, if you are a Retail Applicants or UPI Applicant applying through UPI Mechanism;
26. if you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your application after 3.00 p.m. on the Issue Closing Date; and
27. do not apply if you are an OCB.

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

For helpline details of the LM pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "**General Information – Lead Manager to the Issue**" on page 47.

#### **GROUND FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the "*General Information Document for Investing in Public Issues*" Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire application amount;
2. Applications submitted by Applicants which do not contain details of the application amount and the bank account details / UPI ID in the Application Form;
3. In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
4. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents have not been submitted along with the Application Form;
5. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
6. Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
7. DP ID and Client ID not mentioned in the Application Form;
8. ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
9. Applications for lower number of Equity Shares than the minimum specified for that category of investors;
10. The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
11. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
12. Applications submitted on a plain paper;
13. Applications submitted by Retail Individual Applicants/UIP Applicant using the UIP Mechanism through an SCSB and/or using a Mobile App or UIP handle, not listed on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40);
14. Applications submitted by Retail Individual Applicants/UIP Applicant using third party bank accounts or using a third party linked bank account UIP ID;
15. Applications by HUFs not mentioned correctly as given in the sub-section "**Who can Apply?**" on page 204 of this Draft Prospectus;
16. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
17. Application submitted without the signature of the First Applicant or sole Applicants;
18. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
19. GIR number furnished instead of PAN;
20. Application by Retail Individual Applicants with application amount for a value of more than ₹200,000;
21. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
22. Applications by Applicants accompanied by cheques or demand drafts;
23. Applications accompanied by stock invest, money order, postal order or cash;
24. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UIP Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document and UIP Circulars.

#### **APPLICANT'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 application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **SUBMISSION OF APPLICATION FORM**

All 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 the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

#### **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 Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of 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 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 necessary formalities for listing and commencement of trading at [stock exchange] where the Equity Shares are proposed to be listed are taken within [3 (Three) Working Days] from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within [6 (Six) days of the Issue Closing Date];
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than within such time period as required under applicable laws, 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 the SEBI ICDR Regulations, the Companies Act 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 Applicants, the Company, in consultation with the LM, may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Investors who applied, the Company has a right to reject Applications based on technical grounds.

#### **INVESTOR GRIEVANCE**

In case of any Pre- Issue or Post- Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled "**General Information**" on page 47.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated in accordance with law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*"Any person who: (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447. "*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than 6 months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to 3 times such amount (provided that where the fraud involves public interest, such term shall not be less than 3 years.) Further, where the fraud involves an amount less than ₹ 1 million or 1% 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 5 years or with fine which may extend to ₹ 5 million or with both.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.

## **NOMINATION FACILITY TO APPLICANTS**

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 Applicants should inform their respective DP.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.

## **NOMINATION FACILITY TO APPLICANTS**

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 Applicants should inform their respective DP.

## **DEPOSITORY ARRANGEMENTS**

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

- agreement dated April 16, 2024 among NSDL, our Company and the Registrar to the Issue; and
- agreement dated April 25, 2024 among CDSL, our Company and Registrar to the Issue.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- our Company shall ensure compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;
- that if the 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, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days from the Issue Closing Date or such other time as may be prescribed;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- No further issue of Equity Shares shall be made until the Equity Shares issued or offered through this Draft Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within three working days of the Issue Closing Date or within such other time period prescribed by SEBI;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) 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;
- if Allotment is not made within three working days from the Issue Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.;
- adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- that if our Company do not proceed with the Issue after the Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The Stock Exchanges shall be informed promptly;
- that if our Company, in consultation with the LM, withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh issue document with Stock Exchange/SEBI, in the event our Company or subsequently decide to proceed with the Issue;
- The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- None of the promoters or directors of the company is a willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.
- adequate arrangements shall be made to collect all Application Forms from Applicants; and
- the Promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public.

## **UTILISATION OF NET PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh 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;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), to October 15, 2020. Under the current FDI Policy where companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by 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 Investor**"), 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 FDI 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. Each Applicant should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sales occur.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**The above information is given for the benefit of the Applicants. Our Company, and the 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 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.**

For further details, see "*Issue Procedure*" on page 204.

## **SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF HP TLECOM INDIA LIMITED**

Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association. The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on January 29, 2024. In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.

### **CONSTITUTION OF THE COMPANY**

1. The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company

### **INTERPRETATION CLAUSE**

2. The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:
  - a. 'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.'
  - b. 'The Board' or 'The Board of Directors' means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.
  - c. "Public company" means a company which
    - (a) is not a private company;
    - (b) has a minimum paid-up share capital of five lakh rupees or such higher paid-up capital, as may be prescribedProvided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles
  - d. 'Directors' means the Directors for the time being of the Company.
  - e. 'Writing' includes printing, lithograph, typewriting and any other usual substitutes for writing.
  - f. 'Members' means members of the Company holding a share or shares of any class.
  - g. 'Month' shall mean a calendar month.
  - h. 'Paid-up' shall include 'credited as fully paid-up'.
  - i. 'Person' shall include any corporation as well as individual.

## Adoption of New Set of Article of Association due to Conversion from Private Limited Company into Public Limited Company vide EGM Dated 29th January, 2024.

- j. 'These presents' or 'Regulations' shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.
  - k. 'Section' or 'Sec.' means Section of the Act.
  - l. Words importing the masculine gender shall include the feminine gender.
  - m. Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.
  - n. 'Special Resolution' means special resolution as defined by Section 14 in the Act.
  - o. 'The Office' means the Registered Office for the time being of the Company.
  - p. 'The Register' means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.
  - q. 'Proxy' includes Attorney duly constituted under a Power of Attorney.
3. Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of

the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company

#### SHARE CAPITAL AND VARIATION OF RIGHTS

4. The Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company.
5. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

6. The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.
7. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:
  - I.
    - (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
    - (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
    - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.
    - (d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.
  - II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.
  - III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by :
    - (a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and

- (b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.
8. (1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.
- (2) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

**Issue of further shares with disproportionate rights**

9. Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu there with.

**Not to issue shares with disproportionate rights**

10. The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.

**Power to pay commission**

11. The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such broker age as may be lawful.

**Liability of joint holders of shares**

12. The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

**Trust not recognized**

13. Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

**Issue other than for cash**

14. a. The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.
- b. As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.

**Acceptance of shares**

15. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

## SHARE CERTIFICATES

### Member's right to Share Certificates

16. 1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
  - a. One certificate for all his shares; or
  - b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.
2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.
3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
4. The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorised official(s) of the Company.

### One Certificate for joint holders

17. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.

### Renewal of Certificate

18. If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses, as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.
19. For every certificate issued under the last preceding Article, no fee shall be charged by the Company.

### Splitting and consolidation of Share Certificate

20. The shares of the Company will be split up/consolidated in the following circumstances:
  - (i) At the request of the member/s for split up of shares in marketable lot.
  - (ii) At the request of the member/s for consolidation of fraction shares into marketable lot. Directors may issue new Certificate(s)
21. Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

### Person by whom installments are payable

22. If, by the conditions of allotment of any share, the whole or part of the amount or issue 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 share or his legal representative or representatives, if any.

## FOR THE ISSUUE OF SHARES

23. The Board or the Company, as the case may be, may, in accordance with the Act issue further Shares to:
  - i. (a) Persons who, at the date of offer, are holders of equity shares of the Company; Unless otherwise decided by the Board, such offer shall be deemed to include a right exercisable by the person concerned or renounce the shares offered to him or any of them in favour of any other person; or

- (b) Employees under any scheme of employees' stock option; or
  - (c) Any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
- ii. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of Preferential Offer or private placement, subject to and in accordance with the Act read with Rules made thereunder and SEBI guidelines.
  - iii. Issue of Sweat shares: The Company may issue shares at discounted price by way of sweat equity shares or in any other manner in accordance with the provisions of the Act or any other applicable law.
  - iv. Share Warrants: Subject to the provisions of the Act, the Company may issue with respect to any fully paid shares, a warrant stating that the bearer of the warrants is entitled to the shares specified therein and may provide coupons or otherwise, for payment of future dividends on the shares specified in the warrants and may provide conditions for registering membership.

Subject to the provisions of the Act, the Company may from time to time issue warrants naked or otherwise or issue coupons or other instruments and any combination of equity shares, debentures, preference shares or any other instruments to such class of persons as the Board of Directors may deem fit with a right attached to the holder of such warrants or coupons or other instruments to subscribe to the equity shares or other instruments within such time and at such price as the Board of Directors may decide as per the rules applicable from time to time.

## **LIEN**

### **Company's lien on shares**

- 24. The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

### **As to enforcing lien by sale**

- 25. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.

### **Authority to transfer**

- 26.
  - a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

### **Application of proceeds of sale**

- 27. The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

## **CALLS ON SHARES**

### **Calls**

- 28. Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member

shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

**When call deemed to have been made**

29. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of there solution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of there solution of the Board of Directors making such calls.

**Length of Notice of call**

30. Not less than thirty days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

**Sum payable in fixed installments to be deemed calls**

31. If by the terms of issue of any share or otherwise, any amount is made payable at any fixedtimes, or by installments at fixed time, whether on account 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, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or installment accordingly.

**When interest on call or installment payable**

32. If the sum payable in respect of any call or, installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall fall due, shall pay interest for the same at the rate decided by the Board, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also beat liberty to waive payment of that interest wholly or in part.

**Sums payable at fixed times to be treated as calls**

33. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had be come payable by virtue of a call duly made and notified.

**Payment of call in advance**

34. The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the money so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

**Partial payment not to preclude forfeiture**

35. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from there after proceeding to enforce a forfeiture of such shares as hereinafter provided.

**FORFEITURE OF SHARES**

**If call or installment not paid, notice may be given**

36. If a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

#### **Evidence action by Company against shareholders**

37. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

#### **Form of Notice**

38. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

#### **If notice not complied with, shares may be forfeited**

39. If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

#### **Notice after forfeiture**

40. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name its to od immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

#### **Boards' right to dispose of forfeited shares or cancellation of forfeiture**

41. A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

#### **Liability after forfeiture**

42. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

#### **Effect of forfeiture**

43. The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

#### **Evidence of forfeiture**

44. A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any ) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

#### **Non-payment of sums payable at fixed times**

45. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly



made and notified.

#### **Validity of such sales**

46. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

### **TRANSFER AND TRANSMISSION OF SHARES**

#### **Transfer**

- 47.
- a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.
- b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.
- Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.
- c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.
- e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

#### **Form of transfer**

48. Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.

#### **Board's right to refuse to register**

49. a. The Board may decline to recognise any instrument of transfer unless
- i. The duly executed instrument of transfer is in the form as prescribed in rules made under subsection (1) of section 56;
- ii. The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- iii. The instrument of transfer is in respect of only one class of shares.

#### **Further right of Board of Directors to refuse to register**

50. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots,

subject however, to verification by the Company.

**Fee on transfer or transmission**

51. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents .

**Rights to shares on death of a member for transmission**

52. a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares
- b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta there of as having titles to the shares registered in the name of such member.

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.

**Rights and liabilities of person**

53. 1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein , after provided elect either
- a. to be registered himself as a holder of the share or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
2. The Board, shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**Notice by such a person of his election**

54. a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.

**No transfer to infant, etc.**

55. No transfer shall be made to an infant or a person of unsound mind.

**Endorsement of transfer and issue of certificate**

56. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.

**Custody of transfer**

57. The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

**Register of members**

58.

- a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.

**Closure of Register of members**

- b. On giving not less than seven working days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year

**When instruments of transfer to be retained**

- c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

**Company's right to register transfer by apparent legal owner**

59. The Company shall incur no liability or responsibility whatever in consequence of the irregistering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

**ALTERATION OF CAPITAL**

**Alteration and consolidation, sub-division and cancellation of shares**

60. a. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

Subject to the provisions of section 61, the Company may, by ordinary resolution,—

1. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
2. Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination ;
3. Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived .
4. Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
5. The resolution where by any share is sub-divided may determine that , as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.
6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative

provisions for the time being in force in that behalf.

#### **Reduction of capital, etc. by Company**

61. The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:
  - a. its share capital;
  - b. any capital redemption reserve account; or
  - c. any share premium account.

### **SURRENDER OF SHARES**

#### **Surrender of shares**

62. The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

### **MODIFICATION OF RIGHTS**

#### **Power of modify shares**

63. The rights and privileges attached to each class of shares may be modified, commuted, affected, and abrogated in the manner provided in Section 48 of the Act.

### **SET OFF OF MONEY DUE TO SHAREHOLDERS**

#### **Set-off of moneys due to shareholders**

64. Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.

### **CONVERSION OF SHARES INTO STOCK**

#### **Conversion of shares**

65. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

#### **Transfer of stock**

66. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

#### **Right of stockholders**

67. The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

#### **Applicability of regulations to stock and stockholders**

68. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

### **DEMATERIALISATION OF SECURITIES**

**a) Definitions**

For the purpose of this Article:

‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository;

‘SEBI’ means the Securities and Exchange Board of India;

‘Depository’ means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

‘Security’ means such security as may be specified by SEBI from time to time.

**b) Dematerialisation of securities**

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

**c) Options for investors**

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

**d) Securities in depositories to be fungible form**

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

**e) Rights of depositories and beneficial owners:**

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

**f) Service of documents**

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

**g) Transfer of securities**

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

**h) Allotment of securities dealt with in a depository**

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

**i) Distinctive numbers of securities held in a depository**

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

**j) Register and Index of Beneficial owners**

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

**k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository**

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner there of as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

## **GENERAL MEETINGS**

### **Annual General Meeting**

69. Subject to the provisions of the Act, the Company shall hold from time to time as provided by the Act in addition to any other meetings, a general meeting as its Annual General Meeting. The Provisions of Section 96 of the Act shall apply to such Annual General Meeting.

### **Annual General Meeting when to be held**

70. Every Annual General Meeting shall be called for a time during business hours and on such day (not being a national holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at any place within the city, town or village in which the office of the Company for the time being is situated.

### **Right to summon Extraordinary General Meeting**

71. The Chairman or Managing Director or any other Director, may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting and the provisions of Section 100 of the Act, shall apply in respect of such meeting.

### **Extraordinary Meeting by requisition**

- 72.
- a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply the Act in regard to meetings on requisition.
  - b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.
  - c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
  - d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.
  - e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause(d) above, whichever is less.

### **Length of notice for calling meeting**

73. A General Meeting of the Company may be called by giving not less than twenty one days notice in

writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting.

Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

**Accidental omission to give notice not to invalidate meeting**

74. The accidental omission to give notice of any meeting or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

**Special business and statement to be annexed**

75. All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors.

Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

**Quorum**

76. i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

ii) Save as otherwise provided here in, the quorum for the general meetings shall be as provided in section 103 of Companies Act 2013, as amended from time to time.

**If quorum not present, when meeting to be dissolved and when to be adjourned**

77. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

**Chairman of General Meeting**

78. The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.

**When Chairman is absent**

79. If there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.

**Adjournment of meeting**

80. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed

by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

#### **Resolutions at General Meeting how decided**

81. At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands or by result of voting through ballot papers or through electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ ballot paper / electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

#### **Casting vote**

82. In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

#### **Taking of poll**

83. If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

#### **In what cases poll taken without adjournment**

84. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

#### **Business may proceed notwithstanding demand for poll**

85. A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; the demand for a poll may be withdrawn at any time by the person or persons who made the demand.

### **VOTING RIGHTS**

86. a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.
- b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.
- c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.
- d. Voting by Electronic Means: A member may exercise his/her vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

#### **Joint holders**

87. In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in



person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

**Member of unsound mind**

88. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.

**No member entitled to vote while call due to Company**

89. No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

**Proxies permitted on polls**

90. On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.

**Instrument of proxy**

91. a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.
- b. A body corporate (whether a company within the meaning of this Act or not )may :
1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;
  2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.
- c. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.

**Instrument of proxy to be deposited at the office**

92. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

**Validity of vote by proxy**

93. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Form of proxy**

94. Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

**DIRECTORS**

95. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.

The first directors of the company are as under:

1. VIJAY YADAV
2. SEEMA THAKKAR

96. Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.

**Qualification of Directors**

97. Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

**Director's remuneration**

98. a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made there under. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.
- b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.
- c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.
- d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lumpsum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

**Directors may act notwithstanding vacancy**

99. The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 119 below:

**Chairman or Vice-chairman of the Board**

100. a. Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, Managing Director of the Company will act as Chairman of the board and Deputy Managing Director will act as Vice-chairman of the board.
- b. Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.

**Authorise signing of receipts, cheques etc.**

101. All cheques, promissory notes, drafts, hundis, bills of exchange, receipts, acceptances, endorsements, dividend warrants, releases, contracts and documents and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Boards shall from time to time by resolution determine.

### **Casual vacancy**

102. If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

### **Alternate Directors**

103. (a) The Board may appoint an Alternate Director to act for a Director here in after called in this clause "the Original Director" during his absence for a period of not less than 3 months from India.
- (b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

### **Independent Directors**

- (c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.
- (ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall not be liable to retire by rotation.

### **Women Director**

- (d) The Directors shall appoint one women director as per the requirements of section 149 of the Act.

### **Key Managerial Personnel**

- (e) Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- (iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

### **Additional Directors**

104. The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed for the Board by the Articles. Any person so appointed as an Additional Director shall hold office up to the date of the next Annual General Meeting of the Company.

### **Proportion of retirement by rotation**

- a. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.

### **Debenture Director**

105. Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and 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 bound to hold any qualification shares and shall not be liable to retire by rotation

or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions here in contained.

**Corporation/Nominee Director**

106. Any deed for securing loans by the Company from financial corporation's may be so arranged to provide for the appointment from time to time by the lending financial corporation of some person or persons to be a director or directors of the Company and may empower such lending financial corporation from time to time to remove and re- appoint any Director so appointed. A Director appointed under this Article is herein referred as "Nominee Director" and the term "Nominee Director" means any director for time being in office under this Article. The deed aforesaid may contain ancillary provisions as may be arranged between the Company and the lending corporation and all such provisions shall have effect notwithstanding any of the other provisions here in contained.

**Disclosure of interest of Directors**

107. a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contractor arrangement in which he is so interested as aforesaid or take part in the proceedings there at and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.

- b. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

**Vacation of office by Directors**

108. The office of a Director shall be vacated if:
1. He is found to be unsound mind by a Court of competent jurisdiction;
  2. He applies to be adjudicated as an insolvent;
  3. He is an under charged insolvent;
  4. He is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
  5. He fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
  6. An order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
  7. He has not complied with Sub section (3) of Section 152
  8. He has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
  9. He absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
  10. He acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.

11. He becomes disqualified by an order of a court or the Tribunal
12. He is removed in pursuance of the provisions of the Act,
13. Having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:
  1. for thirty days from the date of the adjudication, sentence or order;
  2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
  3. Where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

#### **Rights of Directors**

109. Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.

#### **Directors to comply with Section 184**

110. Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

#### **Directors power of contract with Company**

111. Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.

### **ROTATION OF DIRECTORS**

#### **Rotation and retirement of Directors**

112. At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.

#### **Retiring Directors eligible for re-election**

113. A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.

#### **Which Directors to retire**

114. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot .

#### **Retiring Directors to remain in office till successors are appointed**

115. Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting .

#### **Power of General Meeting to increase or reduce number of Directors**

116. Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.

#### **Power to remove Directors by ordinary resolution**

117. Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint an other person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as a forementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

#### **Rights of persons other than retiring Directors to stand for Directorships**

118. Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution".

#### **Register of Directors and KMP and their shareholding**

119. The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.

#### **Business to be carried on**

120. The business of the Company shall be carried on by the Board of Directors.

### **PROCEEDINGS OF THE BOARD**

#### **Meeting of the Directors**

121. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.

#### **Director may summon meeting**

122. A Director may at any time request the Secretary to convene a meeting of the Directors and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.

#### **Question how decided**

123. a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

#### **Right of continuing Directors when there is no quorum**

124. The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number if reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.

#### **Quorum**

125. The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the

number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting there from the number of Directors, if any, whose places are vacant at the time.

#### **Election of Chairman to the Board**

126. If no person has been appointed as Chairman or Vice Chairman under Article 98 (a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.

#### **Power to appoint Committees and to delegate**

127. a. The Board may, from time to time, and at any time and in compliance with provisions of the act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 constitute one or more Committees of the Board consisting of such member or members of its body , as the Board may think fit.

#### **Delegation of powers**

b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Proceedings of Committee**

128. The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions here in contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last proceeding Article.

#### **Election of Chairman of the Committee**

129. a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.
- b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.

#### **Question how determined**

130. a. A Committee may meet and adjourn as it thinks proper.
- b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

#### **Acts done by Board or Committee valid, notwithstanding defective appointment, etc.**

131. All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

#### **Resolution by circulation**

132. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other

Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

## **POWERS AND DUTIES OF DIRECTORS**

### **General powers of Company vested in Directors**

133. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

### **Attorney of the Company**

134. The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

### **Power to authorise sub-delegation**

135. The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.

### **Directors' duty to comply with the provisions of the Act**

136. The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.

### **Special power of Directors**

137. In furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.

#### **To acquire and dispose of property and rights**

138. a. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.

#### **To pay for property in debentures, etc.**

b. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

#### **To secure contracts by mortgages**

- c. To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage



or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.

**To appoint officers, etc.**

d. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.

e. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.

**To refer to arbitration**

f. To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.

**To give receipt**

g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

**To act in matters of bankrupts and insolvents**

h. To act on behalf of the Company in all matters relating to bankrupts and insolvents.

**To give security by way of indemnity**

i. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

**To give commission**

j. To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.

**To make contracts etc.**

k. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

**To make bye-laws**

l. From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.

**To set aside profits for provided fund**

Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.

**To make and alter rules**

n. To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.

o. And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited

**Powers to be exercised by Board only at meeting**

139. a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.
- (a) To make calls on shareholders in respect of money unpaid on their shares;
  - (b) To authorise buy-back of securities under section 68;
  - (c) To issue securities, including debentures, whether in or outside India;
  - (d) To borrow monies;
  - (e) To invest the funds of the company;
  - (f) To grant loans or give guarantee or provide security in respect of loans;
  - (g) To approve financial statement and the Board's report;
  - (h) To diversify the business of the company;
  - (i) To approve amalgamation, merger or reconstruction ;
  - (j) To take over a company or acquire a controlling or substantial stake in another company;
  - (k) To make political contributions;
  - (l) To appoint or remove key managerial personnel (KMP);
  - (m) To take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
  - (n) To appoint internal auditors and secretarial auditor;
  - (o) To take note of the disclosure of director's interest and shareholding;
  - (p) To buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
  - (q) To invite or accept or renew public deposits and related matters;
  - (r) To review or change the terms and conditions of public deposit;
  - (s) To approve quarterly, half yearly and annual financial statements or financial results as the case may be.
  - (t) Such other business as may be prescribed by the Act.
- b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses(d), (e) and(f) above.
- c. Every resolution delegating the power set out in Sub-clause (d) shall specify the total amount outstanding at any one time up to which monies may be borrowed by the said delegate.
- d. Every resolution delegating the power referred to in Sub-clause (e) shall specify the total amount up to which the funds may be invested and the nature of investments which may be made by the delegate.
- e. Every resolution delegating the power referred to in Sub-clause (f) above shall specify the total amount upto which loans may be made by the delegate , the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

**Register of mortgage to be kept**

140. The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

**Register of holders of debentures**

141. Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the

aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restrictions of that atleast two hours in everyday, when such registeries open, are appointed for inspection.

**Inspection of copies of and Register of Mortgages**

142. The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.

**Supplying copies of register of holder of debentures**

143. The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.

**Right of holders of debentures as to Financial Statements**

144. Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.

**Minutes**

145. a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.
- b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

**Power to appoint or re-appoint key managerial personnel**

**1. Managing Director**

146. a. Subject to the provisions of Section 196, 197, 2(94), 203 of the Act, the following provisions shall apply:
- b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.
- c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.
- d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.
- e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.
- f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director /Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors . Without prejudice to the generality of the foregoing, the Managing Director /Managing Directors shall exercise all powers set out in Article 137 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

**2. Whole-time Director**

147. 1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Whole-time Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject there to the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.

2. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.

### **3. Secretary**

148. The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.

### **Managing Director's power to be exercised severally**

149. All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally

### **Powers as to commencement of business**

150. Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

### **Delegation of power**

151. Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

## **BORROWING**

### **Borrowing Powers**

152. a. The Board may, from time to time, raise any money or any monies or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Shareholders at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, (that is to say, reserves not set-apart for any specific purpose) or the limits already approved by the Shareholders at a General Meeting, whichever is higher, but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or payoff any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which monies may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms

and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient.

**Assignment of debentures**

153. Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

**Terms of debenture issue**

154. a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
- b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.
- c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions here in contained but subject to the provisions of the Act.
- d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.
- e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

**Charge on uncalled capital**

155. Any uncalled capital of the Company may be included in or charged by mortgage or other security.

**Subsequent assignees of uncalled capital**

156. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.

**Charge in favour of Director by way of indemnity**

157. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any

mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

#### **MANAGER**

158. Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

#### **COMMON SEAL**

##### **Common Seal**

159. The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.

##### **Affixture of Common Seal**

160. The Board shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVES**

##### **Rights to Dividend**

1. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

##### **Declaration of Dividends**

2. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

##### **What to be deemed net profits**

3. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

##### **Interim Dividend**

4. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

##### **Dividends to be paid out of profits only**

5. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

##### **Establish Reserve Funds**

6. a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.  
b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.

##### **Method of payment of dividend**

7. a. Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.

b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.

c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

**Deduction of arrears**

8. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.

**Adjustment of dividend against call**

9. Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.

**Payment by cheque or warrant**

10. a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.
- b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

**Retention in certain cases**

11. The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

**Receipt of joint holders**

12. (A) Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:
- a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
- b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section(1) of Section 62 of the Act , and any issue of fully paid-up bonus shares in pursuance of Sub-section(3) of Section 123 of the Act”.

**Deduction of arrears**

13. Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

**Notice of Dividends**

14. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

**Dividend not to bear interest**

15. No dividend shall bear interest against the Company.

**Unclaimed Dividend**

16. No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

**Transfer of share not to pass prior Dividend**

17. Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**CAPITALISATION OF PROFITS**

**Capitalisation of Profits**

18. a. The Company in General Meeting, may on the recommendation of the Board, resolve:
1. That the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised ;and
  2. That such sum be accordingly set free for distribution in the manner specified in Sub- clause (2) amongst the members who would have been entitled there to if distributed by way of dividend and in the same proportion.
- b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Sub-clause (3) either in or towards:
1. Paying up any amount for the time being unpaid on any share held by such members respectively;
  2. Paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid ; or
  3. Partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause(ii).
  4. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
  5. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

**Buy back of shares:**

- i. Notwithstanding anything contained in these articles but subject to the other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
- ii. The Company may from time to time allocate funds from its Free Reserves or Share Premium account or any other means of finance or issue debt instruments for raising funds for buy-back of its shares and the same is not to be considered as reduction of Capital under Section 66 of the Act. The Company may also exchange voting shares for non-voting shares or for any other securities.

**Powers of Directors for declaration of Bonus**

19. a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
1. Make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any ;and
  2. Generally do all acts and things required to give effect thereto.
- b. The Board shall have full power:
1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;
  2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.



- c. Any agreement made under such authority shall be effective and binding on all such members.

## **ACCOUNTS**

### **Books of account to be kept**

20.

- a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.
- b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.
- c. The books of accounts shall be open to inspection by any Director during business hours.

### **Where books of account to be kept**

- 21. The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.

### **Inspection by members**

- 22. The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.

### **Statement of account to be furnished to General Meeting**

- 23. The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.

### **Financial Statements**

- 24. Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near there to as circumstances admit.

### **Authentication of Financial Statements**

- 25. a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.
- b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

### **Auditors Report to be annexed**

- 26. The Auditor's Report shall be attached to the financial statements.

### **Board's Report to be attached to Financial Statements**

- 27. a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.
- b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.

c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.

d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.

e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.

**Right of member to copies of Financial Statements**

28. The Company shall comply with the requirements of Section 136.

**ANNUAL RETURNS**

**Annual Returns**

29. The Company shall make the requisite annual return in accordance with Section 92 of the Act.

**AUDIT**

**Accounts to be audited**

30. a. Every Financial Statement shall be audited by one or more Auditors to be appointed as here in after mentioned.

b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.

c. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.

d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.

e. The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.

f. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

2. Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and

3. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.

g. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

h. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.

i. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

j. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend

general meetings of the company.

#### **Audit of Branch Offices**

31. The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

#### **Remuneration of Auditors**

32. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.

#### **Accounts whether audited and approved to be conclusive**

33. Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forth with be corrected, and hence forth be conclusive.

### **DOCUMENTS AND SERVICE OF DOCUMENTS**

#### **Service of documents on the Company**

34. A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

#### **How documents to be served to members**

35. a. A document (which expression for this purpose shall be deemed to included and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.
- b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.
- c. Where a document is sent by post:
- i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;
    - a. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
    - b. in any other case, at the time at which the letter should be delivered in the ordinary course of post.

#### **Members to notify address in India**

36. Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

#### **Service on members having no registered address in India**

37. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

#### **Service on persons acquiring shares on death or insolvency of members**

38. A document may be served by the Company to the persons entitled to a share in consequence of the

death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

**Notice valid though member deceased**

39. Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

**Persons entitled to Notice of General Meeting**

40. Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;
- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
  - (b) the auditor or auditors of the company ; and
  - (c) every director of the company.

Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

**Advertisement**

41. a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.
- b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.

**Transference, etc. bound by prior notices**

42. Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.

**How notice to be signed**

43. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

**AUTHENTICATION OF DOCUMENTS**

**Authentication of document and proceeding**

44. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.

**WINDING UP**

**Winding up**

45. Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

**Division of assets of the Company in specie among members**

46. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

**INDEMNITY AND RESPONSIBILITY**

**Directors' and others' right to indemnity**

47. a. Subject to the provisions of Section 197 of the Act every Director, Manager, Company Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.
- b. Subject as aforesaid, every Director, Manager, Company Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.
48. Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortious act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part or for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.

**SECURITY CLAUSE**

49. a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
- b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the

provisions contained in these Articles.

### **REGISTERS, INSPECTION AND COPIES THEREOF**

50. a. Any Director or Member or person can inspect the statutory registers maintained by the Company, which may be available for inspection of such Director or Member or person under provisions of the act by the Company, provided he gives fifteen days notice to the Company about his intention to do so.
- b. Any, Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

### **GENERAL AUTHORITY**

51. Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

We, the several persons, whose names and address are subscribed, are desirous of being formed into a company in pursuance of this articles of association:

<b>Sr. No.</b>	<b>Names, Addresses, Descriptions, Occupations and Signature of the Subscribers</b>	<b>Number of Equity Shares taken by each Subscriber</b>	<b>Name, Address Description and Occupation and Signature of the Common Witness</b>
1.	<b>Vijay Yadav</b> Son of Lalsingh Yadav 28, Panchwati Society, Opp. Sarjan Society, Parle Point, Surat-395 007. Business Sd/-	5,000 (Five Thousand)	Common Witness to Both Subscribers <b>Nikhil Shah</b> Son of Jitendra Shah 125, Dr. Ambedkar Complex, Ring Road, Surat-395 002. Chartered Accountant M. No. 039911 Sd/-
2.	<b>Seema Thakkar</b> Daughter of Sureshbhai Thakkar B-107, Sahnip Square, Anand Mahal Road, Adajan, Surat-395 009. Business Sd/-	5,000 (Five Thousand)	

	<b>Total :</b>	10,000 (Ten thousand)	

Place: Surat

Dated this 23rd day of March, 2011.

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Plot No. 97, 1 st Floor, Om Square, Near Ishwar Farm, BRTS Canal Road, Bhatar, Althan, Surat, Gujarat - 395017, between 10:00 a.m. and 5:00 p.m. (IST) on all Working Days from the date of this Draft Prospectus until the Issue Closing Date. The copies of the contracts and documents for inspection referred to hereunder will be uploaded on the website of our Company at [www.hvciipl.com](http://www.hvciipl.com) , and will be available for inspection from date of the Draft Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law

#### A. Material Contracts

1. Issue Agreement dated April 29,2024 entered into between our Company and the Lead Manager.
2. Registrar agreement dated April 29,2024 entered into between our Company, and the Registrar to the Issue.
3. Tripartite Agreement dated April 25, 2024 between CDSL, our Company and the Registrar to the Issue.
4. Tripartite Agreement dated April 16, 2024 between NSDL, our Company and the Registrar to the Issue.
5. Bankers to the Issue Agreement dated [•] amongst our Company, the Lead Manager, Banker (s) to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated [•] between our Company, Lead Manager and Market Maker.
7. Underwriting Agreement dated of [•] between our Company, the Lead Manager and the Underwriters.

#### B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Resolution of the Board of Directors dated April 16,2024 authorizing the Issue and other related matters.
3. Shareholders' Resolution passed at the Extra-ordinary General Meeting of the Company held on April 22, 2024 authorizing the Issue and other related matters.
4. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Underwriters to the Issue, Bankers to our Company, Banker to our Issue and Market Maker to include their names in this Draft Prospectus and to acting their respective capacities.
5. Peer Review Auditors Report dated April 16, 2024 on Restated Financial Statements of our Company for the period ended on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.
6. The Report dated May 1, 2024 from the Statutory Auditors of our Company, confirming the Statement of Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus.



7. Audit Committees Resolution dated April 16, 2024 approving the KPI and Certificate from the Peer Review Auditor of the Company M/s. Aslot and Associates, Chartered Accountants dated May 2, 2024 with respect to the KPIs disclosed in this Draft Prospectus.
8. Board Resolution dated May 25, 2024 & [•] for approval of this Draft Prospectus and Prospectus respectively.
9. Copy of Approval dated [•] from the SME Platform of NSE (NSE EMERGE) to use their name in the Prospectus for listing of Equity Shares.
10. Due diligence certificate submitted to National Stock Exchange of India Limited May 25, 2024 from Lead Manager to the Issue.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby certify and 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 the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

### Signed by the Directors of the Company:

Name	Designation	Signature
Vijay Lalsingh Yadav	Managing Director	Sd/-
Seemabahen Vijay Yadav	Whole Time Director	Sd/-
Bharatlal Lalsingh Singh	Non-Executive Director	Sd/-
Chirag Jitendra Sheth	Independent Director	Sd/-
Dinesh Ram Nath Yadav	Independent Director	Sd/-

### Signed by:

Name	Designation	Signature
Hemant Jethwa	Chief Financial Officer	Sd/-
Barkha Jain	Company Secretary and Compliance Officer	Sd/-

**Place: Surat**

**Date: May 25, 2024**