



Red Herring Prospectus

Dated: September 14, 2024

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

(This Red Herring Prospectus will be updated upon filing with the ROC)

100% Book Built Issue



RAPPID VALVES (INDIA) LIMITED

CIN: U74999MH2002PLC135992

| Registered Office | Corporate Office | Contact Person | Email and Telephone | Website |
|---|------------------|--|--|--|
| Genesis Industrial Complex, Plot No. 30, Village Kolgaon, Palghar (East), Thane-401404, Maharashtra, India. | N.A. | Ms. Nidhi Krutik Shah Company Secretary and Compliance Officer | Email: investors@rapidvalves.net Telephone: +91 9321463550 | www.rappidvalves.in |

THE PROMOTER OF OUR COMPANY IS MR. GAURAV VIJAY DALAL

DETAILS OF ISSUE TO PUBLIC, PROMOTER

| TYPE | FRESH ISSUE | SIZE OF OFFER FOR SALE | TOTAL ISSUE SIZE | ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs |
|-------------|---|------------------------|---|--|
| Fresh Issue | Up to 13,69,800 Equity Shares aggregating up to [●] Lakhs | N.A. | Up to 13,69,800 Equity Shares aggregating up to [●] Lakhs | The Issue is being made pursuant to Regulation 229(1) of SEBI ICDR Regulations. As the Company's post issue face value capital does not exceed ₹ 10.00 Crores, see "Issue Structure" beginning on page 251 of this Red Herring Prospectus. |

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

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of Equity Shares is ₹ 10/- each. The Floor Price, Cap Price and Issue Price (determined by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of Book Building Process as stated in "Basis for Issue Price" beginning on page 109 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the issue unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the issue. For taking an investment decision, Bidders must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 29 of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares Issued through the Red Herring Prospectus are proposed to be listed on Emerge Platform of NSE ("NSE EMERGE"). Our Company has received "In-Principle" approval from the NSE Emerge for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated September 12, 2024. For the purpose of the Issue, the Designated Stock Exchange shall be NSE.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

| Name and Logo | Contact Person | Email & Telephone |
|---|-----------------|--|
| SHRENI SHARES LTD SHRENI SHARES LIMITED (Formerly Known as Shreni Shares Private Limited) | Ms. Tanya Goyal | E-mail: shrenishares@gmail.com Telephone: 022 - 2089 7022 |

REGISTRAR TO THE ISSUE

| Name and Logo | Contact Person | Email & Telephone |
|--|--------------------------|---|
| LINK Intime LINK INTIME INDIA PRIVATE LIMITED | Ms. Shanti Gopalkrishnan | E-mail: rappidvalves.smeipo@Linkintime.co.in Telephone: +91 8108114949 |

BID/ISSUE PROGRAMME

| | | |
|--|---|--|
| ANCHOR INVESTOR BID/ ISSUE PERIOD: FRIDAY, SEPTEMBER 20, 2024 * | BID/ISSUE OPENS ON: MONDAY, SEPTEMBER 23, 2024 * | BID/ ISSUE CLOSES ON#: WEDNESDAY, SEPTEMBER 25, 2024 ** |
|--|---|--|

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

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

#UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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RAPID VALVES (INDIA) LIMITED

Our company was originally formed as a Private Limited Company under the name “Rapid Valves (India) Private Limited” under the provisions of the Companies Act, 1956 and Certificate of Incorporation was issued by the Registrar of Companies, Mumbai on May 24, 2002. Subsequently, the company changed its name to “Rapid Valves (India) Private Limited” vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on January 24, 2009 and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Mumbai on February 10, 2009. Subsequently, the status of the Company was changed to Public Limited and the name of our Company was changed to “Rapid Valves (India) Limited” vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on January 31, 2024. The fresh certificate of incorporation consequent to conversion was issued on June 20, 2024 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U74999MH2002PLC135992. For further details on Incorporation and Registered Office of our Company, see “History and Certain Corporate Matters” beginning on page 179 of this Red Herring Prospectus.

Registered Office: Genesis Industrial Complex, Plot No. 30, Village Kolgaon, Palghar (East), Thane-401404, Maharashtra, India;

Tel: +91 9321463550; **E-mail:** investors@rapidvalves.net ; **Website:** www.rapidvalves.in

Contact Person: Ms. Nidhi Krutik Shah, Company Secretary and Compliance Officer;

OUR PROMOTER: MR. GAURAV VIJAY DALAL

INITIAL PUBLIC OFFER OF UPTO 13,69,800 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (THE “EQUITY SHARES”) OF RAPID VALVES (INDIA) LIMITED (“OUR COMPANY”) OR “RAPID VALVES” OR “THE COMPANY” OR “THE ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), OF WHICH UPTO 69,600 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e., NET ISSUE OF UPTO 13,00,200 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.38 % AND 25.04 % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10/- EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER, AND WILL BE ADVERTISED IN ALL EDITIONS OF ENGLISH NATIONAL DAILY NEWSPAPER, FINANCIAL EXPRESS, ALL EDITIONS OF HINDI NATIONAL DAILY NEWSPAPER, JANASATTA, AND ALL EDITIONS OF THE DAILY REGIONAL NEWSPAPER, PRATAHAKAL, (WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO EMERGE PLATFORM OF NSE (“NSE EMERGE”), FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITE IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS, AS AMENDED.

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

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

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company in consultation with the BRLM may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (“Net QIB Portion”). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Potential Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self-Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, please refer to the chapter titled “Issue Procedure” on page 256 of this Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each. The Floor Price, Cap Price and Issue Price (determined by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in “Basis for Issue Price” beginning on page 109 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Bidders must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 29 of this Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated September 12, 2024 from National Stock Exchange of India Limited (“NSE”) for using its name in this offer document for listing our shares on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”). For the purpose of this Issue, the designated Stock Exchange is the NSE.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



SHRENI SHARES LIMITED

(Formerly Known as Shreni Shares Private Limited)
No. 217, Hive 67 Icon, Poisar Gymkhana Road,
Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall,
Kandivali West, Mumbai – 400067, Maharashtra, India.
Telephone: 022 - 2089 7022
E-mail: shrenishares@gmail.com
Investors Grievance e-mail: info@shreni.in
Contact Person: Ms. Tanya Goyal
Website: www.shreni.in
SEBI Registration Number: INM000012759

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai-400 083,
Maharashtra, India
Tel No: +91 8108114949
Email: rapidvalves.smeipo@Linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance E-mail: rapidvalves.smeipo@Linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

ISSUE PROGRAMME

| ANCHOR INVESTOR | BID/ISSUE PERIOD: | FRIDAY, | BID/ISSUE OPENS ON: | MONDAY, SEPTEMBER 23, | BID/ISSUE CLOSES ON: | WEDNESDAY, SEPTEMBER 25, |
|-----------------|-------------------|---------|---------------------|-----------------------|----------------------|--------------------------|
| | | | | 2024 * | | 2024 ** |

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

**Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
#UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies 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 Red Herring Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Possible Tax Benefits*”, “*Restated Financial Statements*”, “*Outstanding Litigations and Material Developments*”, “*Key Industry Regulations and Policies*” and section titled “*Main Provisions of the Articles of Association*” on page 117, 204, 218, 171 and 281 respectively of this Red Herring Prospectus, shall have the meanings ascribed to such terms in the respective sections.

GENERAL TERMS

| Term | Description |
|---|--|
| Rappid Valves (India) Limited / Rappid Valves/ The Company / Our Company / The Issuer | Rappid Valves (India) Limited, a company incorporated in India under the Companies Act, 1956 having its Registered Office at Genesis Industrial Complex, Plot No. 30, Village Kolgaon, Palghar (East), Thane, Maharashtra – 401404, India. |
| “we”, “us” and “our” | Unless the context otherwise indicates or implies, refers to our Company |
| “you”, “your” or “yours” | Prospective investors in this Issue |

COMPANY RELATED TERMS

| Term | Description |
|--|--|
| AOA / Articles of Association | The Articles of Association of Rappid Valves (India) Limited as amended from time to time. |
| Audit Committee | The Audit Committee of our Company, constituted on June 27, 2024 in accordance with Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 183 of this Red Herring Prospectus |
| Auditors/ Statutory Auditors | The Statutory Auditors of our Company, currently being M/s Kava & Associates, Chartered Accountants, having their office at A-402, Suashish IT Park, Dattapada Road, Borivali East, Mumbai - 400066. |
| Bankers to our Company | Vasai Vikas Sahakari Bank Limited |
| Board of Directors / the Board / our Board | The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 183 of this Red Herring Prospectus. |
| Chairman/ Chairperson | The Chairman of Board of Directors of our Company being Mr. Gaurav Vijay Dalal. |
| CIN | Corporate Identification Number of our Company i.e. U74999MH2002PLC135992 |
| Chief Financial Officer/CFO | The Chief Financial Officer of our Company being Mr. Dipesh Bhalchandra Dalvi. |
| Companies Act / Act | The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force. |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company being Ms. Nidhi Krutik Shah. |
| DIN | Directors Identification Number. |

| Term | Description |
|--|--|
| Director(s) / our Directors | The Director(s) of our Company, unless otherwise specified. |
| Equity Shares | Equity Shares of our Company of Face Value of ₹10/- each fully paid-up |
| Equity Shareholders | Persons/ Entities holding Equity Shares of Our Company. |
| Executive Directors | Executive Director is the Managing Director of our Company. |
| Group Company | In terms of SEBI ICDR Regulations, the term “Group Company” includes companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, any other companies as considered material by our Board, in accordance with the Materiality Policy and as disclosed in chapter titled “Our Group Company” beginning on page 201 of this Red Herring Prospectus |
| Independent Director(s) | Independent Directors on the Board, and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI LODR Regulations. For details of the Independent Directors, please refer to chapter titled “Our Management” beginning on page 183 of this Red Herring Prospectus |
| ISIN | International Securities Identification Number. In this case being INE0MVO01012 |
| Key Management Personnel / KMP | Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “Our Management” beginning on page 183 of this Red Herring Prospectus |
| Key Performance Indicators” or “KPIs” | Key financial and operational performance indicators of our Company, as included in “Basis for Issue Price” beginning on page 109 of this Red Herring Prospectus. |
| Materiality Policy | The policy on identification of group companies, material creditors and material litigation, adopted by our Board on June 27, 2024 in accordance with the requirements of the SEBI (ICDR) Regulations, 2018. |
| MD or Managing Director | The Managing Director of our Company being Mr. Gaurav Vijay Dalal. |
| MOA / Memorandum / Memorandum of Association | The Memorandum of Association of our Company, as amended from time to time |
| Non-Residents | A person resident outside India, as defined under FEMA Regulations, 2000 |
| Nomination and Remuneration Committee | The Nomination and Remuneration Committee of our Company, constituted on June 27, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “Our Management” beginning on page 183 of this Red Herring Prospectus |
| Non-Executive Director | A Director not being an Executive Director |
| NRIs / Non-Resident Indians | A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. |
| Peer Review Auditors | M/s. Vinay Bhushan & Associates, Chartered Accountants having its office located at 726, 7th Floor, D Wing, Neelkanth Business Park, Vidyavihar (West), Mumbai - 400086 |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Promoter(s) | Shall mean promoter of our Company i.e., Mr. Gaurav Vijay Dalal. For further details, please refer to section titled “Our Promoters and Promoter Group” beginning on page 197 of this Red Herring Prospectus. |
| Promoter Group | Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “Our Promoters and Promoter Group” beginning on page 197 of this Red Herring Prospectus. |
| Registered Office | The Registered Office of our Company situated at Genesis Industrial Complex, Plot No. 30, Village Kolgaon, Palghar (East), Thane, Maharashtra – 401404, India. |

| Term | Description |
|---------------------------------------|--|
| Restated Financial Information | Restated Financial Statements for the Financial Years ended on March 31, 2024, March 31, 2023, and March 31, 2022 prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations which comprises the restated summary statement of assets & liabilities, the restated summary statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto |
| RoC/ Registrar of Companies | Registrar of Companies, Mumbai, Ministry of Corporate Affairs, 5th Floor, 100, Everest Building, Netaji Subhash Road, Marine Drive, Mumbai - 400 002, Maharashtra, India |
| Shareholders | Shareholders of our Company |
| Stock Exchange | Unless the context requires otherwise, refers to, National Stock Exchange of India Limited |
| Subscriber to MOA / Initial Promoters | Initial Subscriber to MOA & AOA being Mr. Gaurav Vijay Dalal and Ms. Usha Vijay Dalal. |
| Stakeholders Relationship Committee | The Stakeholders' Relationship Committee of our Company, constituted on June 27, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in "Our Management" beginning on page 183 of this Red Herring Prospectus |
| Senior Management | Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in the chapter titled "Our Management" beginning on page 183 of this Red Herring Prospectus |

KEY PERFORMANCE INDICATORS

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

ISSUE RELATED TERMS

| Term | Description |
|--------------------------|--|
| Abridged Prospectus | Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form |
| Allotment/Allot/Allotted | Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful applicants. |
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges |
| Allotment Date | Date on which allotment is made |
| Allottee (s) | The successful bidder to whom the Equity Shares are being / have been allotted. |

| Term | Description |
|--|--|
| Anchor Investor | A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Issue Period. |
| Anchor Investor Application Form | The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus. |
| Anchor Investor Bid/Issue Period or Anchor Investor Bidding Date | The date one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed. |
| Anchor Investor Issue Price | The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager |
| Anchor Investor Pay-in Date | With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations |
| Applicant/ Investor | Any prospective investor who makes an application for Equity Shares in terms of this Red Herring Prospectus. |
| Application Amount | The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Red Herring Prospectus. |
| Application Form | The form in terms of which the Applicant shall make an Application, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of this Red Herring Prospectus. |
| ASBA Account | A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form. |
| ASBA Bidders | Any prospective investor who makes a bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form including through UPI mode (as applicable). |
| ASBA Form | A bid cum application form, whether physical or electronic, used by ASBA bidders, which will be considered as the bid for Allotment in terms of the Red Herring Prospectus. |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Bankers to the Issue | Collectively, being the Public Issue Bank and Sponsor Bank and in this case being Kotak Mahindra Bank Limited. |
| Banker to the Issue Agreement | Agreement dated August 26, 2024 entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker of the Issue. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted, described in "Issue Procedure" on page 256 of this Red Herring Prospectus. |

| Term | Description |
|--------------------------|---|
| Bid | An indication to make an Issue during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly. |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| Bid / Issue Closing Date | <p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be published in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Janasatta (a widely circulated Hindi national daily newspaper) and all editions of Pratahakal (a widely circulated Marathi daily newspaper, Marathi being regional language of Maharashtra).</p> <p>Our Company, in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations</p> |
| Bid/Issue Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be published in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Janasatta (a widely circulated Hindi national daily newspaper) and all editions of Pratahakal (a widely circulated Marathi daily newspaper, Marathi being regional language of Maharashtra). |
| Bid/ Issue Period | <p>Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company, in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days</p> |
| Bidder/ Investor | Any prospective investor who makes a bid for Equity Shares in terms of this Red Herring Prospectus. |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Bid Amount | The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Red Herring Prospectus. |
| Bid cum Application Form | The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Red Herring Prospectus. |

| Term | Description |
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| Book Building Process | Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made |
| BRLM / Book Running Lead Manager | The Book Running Lead Manager to the Issue, namely, Shreni Shares Limited (Formerly Known as Shreni Shares Private Limited) |
| Broker Centers | Broker Centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange (www.nseindia.com) |
| Business Day | Monday to Friday (except public holidays). |
| CAN / Confirmation of Allocation Note | A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, on or after the Anchor Investor Bid/Issue Period |
| Cap Price | The higher end of the Price Band, i.e. ₹ [●] per Equity Share |
| Client Id | Client Identification Number maintained with one of the Depositories in relation to demat account |
| Collecting Depository Participants or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time |
| Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange. |
| Cut-off Price | The Issue Price finalised by our Company in consultation with the Book Running Lead Manager which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-Off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price |
| Demographic Details | The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details. |
| Depository / Depositories | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL. |
| Designated Date | On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of this Red Herring Prospectus. |
| Designated Branches SCSB | Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time |
| Designated Locations CDP | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com |
| Designated Locations RTA | Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com |

| Term | Description |
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| Designated Intermediaries / Collecting Agent | Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the issue. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs |
| Designated Market Maker | Rikhav Securities Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations. |
| Designated Stock Exchange | National Stock Exchange of India Limited (SME Platform) (“NSE EMERGE”) |
| DP | Depository Participant |
| DP ID | Depository Participant’s Identity Number |
| Draft Red Herring Prospectus | Draft Red Herring Prospectus dated July 12, 2024 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation. |
| Eligible NRI | A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares. |
| Emerge Platform of NSE | The SME Platform of NSE for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations which was approved by SEBI as an NSE EMERGE on March 13, 2012. |
| Equity Shares | Equity Shares of our Company of face value ₹ 10.00 each |
| Electronic Transfer of Funds | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable. |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants. ⁴ |
| Eligible NRI(s) | An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares. |
| Escrow Account | Accounts opened with the Banker to the Issue |
| FII / Foreign Institutional Investors | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| First/ Sole Applicant | The Applicant whose name appears first in the Application Form or Revision Form. |
| Floor Price | The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted |
| Foreign Venture Capital Investors | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000. |
| FPI / Foreign Portfolio Investor | A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended |

| Term | Description |
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| General Information Document (GID) | The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI. |
| GIR Number | General Index Registry Number. |
| IPO/ Issue/ Issue Size/ Public Issue | Initial Public Offering |
| Issue Agreement | The agreement dated July 01, 2024 entered amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Closing Date | The date after which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being September 25, 2024 |
| Issue Opening Date | The date on which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being September 23, 2024 |
| Issue Price | The Price at which the Equity Shares are being issued by our Company under this Red Herring Prospectus being ₹ [●] per equity share. |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their applications. |
| Issue Size | The Public Issue of up to 13,69,800 Equity shares of ₹10/- each at issue price of ₹ [●] per Equity share, including a premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs |
| Issue Proceeds | Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “Objects of the Issue” page 95 of this Red Herring Prospectus |
| Market Making Agreement | The Market Making Agreement dated September 13, 2024 between our Company, Book Running Lead Manager and Market Maker. |
| Market Maker Reservation Portion | The reserved portion of Upto 69,600 Equity Shares of ₹10 each at an Issue price of ₹ [●] each aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue. |
| Memorandum of Understanding / MOU | The Memorandum of Understanding dated July 01, 2024 between our Company and BRLM. |
| Mutual Funds | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of Upto 13,00,200 equity Shares of ₹ 10.00 each at a price of ₹ [●] per Equity Share (the “Issue Price”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs. |
| Net Proceeds | The proceeds from the Issue less the Issue related expenses applicable to the Fresh Issue. |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors. |
| Non-Institutional Investors/ Applicant | Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/- |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI |
| NSE | National Stock Exchange of India Limited |

| Term | Description |
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| Other Investor | Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| Overseas Corporate Body/ OCB | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. |
| Pay-in-Period | The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date. |
| Payment through electronic transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable |
| Person/Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Price Band | Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date |
| Prospectus | The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto. |
| Public Issue Account | Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date. |
| Qualified Foreign Investors / QFIs | Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI. |
| Qualified Institutional Buyers/ QIBs | A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India. |
| Red Herring Prospectus / RHP | The Red Herring Prospectus dated September 14, 2024 to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto |
| Refund Account (s) | Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur. |
| Registrar/ Registrar to the Issue/RTA/ RTI | Registrar to the Issue being Link Intime India Private Limited |
| Registrar Agreement | The agreement dated July 12, 2024 entered into between our Company, and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |

| Term | Description |
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| Reserved Categories | Categories of persons eligible for making application under reservation portion. |
| Regulations | SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time. |
| Retail 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 ₹ 2,00,000. |
| Registered Broker | Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/content/cat_of_mem.htm |
| Reserved Categories | Categories of persons eligible for making application under reservation portion. |
| Reservation Portion | The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018 |
| Revision Form | The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) |
| Registrar and Share Transfer Agents or RTAs | Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SCORES | SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI |
| Self-Certified Syndicate Bank(s) / SCSB(s) | <p>The banks registered with SEBI, offering services, (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or such other website as updated from time to time, and (ii) in relation to ASBA through the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.</p> <p>In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time.</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 respectively, as updated from time to time</p> |
| SME Exchange | SME Platform of the NSE i.e. NSE EMERGE |
| Specified Locations | The Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders and in case of RIBs only ASBA Forms with UPI |
| Sponsor Bank | Shall mean a Banker to the Issue registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the retail investors into the UPI. |

| Term | Description |
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| Syndicate Agreement | Syndicate agreement to be entered into between our Company, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate |
| Syndicate Member(s) | Intermediaries (other than the Book Running Lead Manager) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Issue, namely Shreni Shares Limited (<i>Formerly Known as Shreni Shares Private Limited</i>) |
| Transaction Registration Slip/ TRS | The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application |
| Underwriters | The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time. |
| Underwriting Agreement | The Agreement dated September 13, 2024 entered between the Underwriters, BRLM and our Company. |
| Unified Payments Interface (UPI) | UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two person's bank accounts using a payment address which uniquely identifies a person's bank Account. |
| UPI Bidders | Collectively, individual investors applying as Retail Individual Bidders in the Retail Portion, and individuals applying as Non-Institutional Bidders with a Bid Amount of up to ₹500,000 in the Non-Institutional Portion. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a Syndicate Member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity) |
| UPI Circulars | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), the SEBI Master Circular for Issue of Capital and Disclosure Requirements, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by NSE bearing reference no. 25/2022 dated August 3, 2022 and the circular issued by NSE bearing reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard. |
| UPI ID | ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI) |
| UPI Mandate Request | A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment |

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

INDUSTRY RELATED TERMS

| Term | Description |
|-------------|--|
| AAY | Antodaya Ann Yojna |
| ACC | Advanced chemical cell |
| AIC | Atal Incubation Centre |
| AIDef | AI in Defence |
| AIFs | Alternative Investment Funds |
| BOT | Build-Operate-Transfer |
| CAD | Current account deficit |
| CAGR | Compound Annual Growth Rate |
| CAZRI | Central Arid Zone Research Institute |
| CEPA | Comprehensive Partnership Agreement |
| CGSS | Credit Guarantee Scheme for Start-ups |
| CPI | Consumer Price Index |
| DII | Domestic Institutional Investors |
| DNTs | Denotified/Nomadic/SemiNomadic tribal communities |
| DoS | Department of Space |
| DPA | Deendayal Port Authority |
| DPIIT | Department for Promotion of Industry and Internal Trade |
| EAC | Experts' Advisory Committee |
| EPFO | The Employees' Provident Fund Organisation |
| ETPs | Effluent Treatment Plant |
| FDI | Foreign Direct Investment |
| FII | Foreign Institutional Investors |
| FRE | First Revised Estimates |
| FTAs | Free Trade Agreements |
| GDP | Gross Domestic Product |
| GST | Goods and Services Tax |
| GVA | Gross value added |
| HFI | High-Frequency Indicators |
| ICAR | Indian Council of Agricultural Research |
| ICEA | Indian Cellular and Electronics Association |
| IDRCL | India Debt Resolution Co. Ltd |
| IIP | Index of Industrial Production |
| IISR | Indian Institute of Spices Research |
| IndAus ECTA | India-Australia Economic Cooperation and Trade Agreement |
| LMT | lakh metric tonnes |
| MFP | Mega Food Parks |
| MITRA | Mega Investment Textiles Parks |

| Term | Description |
|----------|---|
| MMF | man-made fibre |
| MoSPI | Ministry of Statistics & Programme Implementation |
| MoU | Memorandum of Understanding |
| NABARD | National Bank for Agriculture and Rural Development |
| NaBFID | National Bank for Financing Infrastructure and Development |
| NARCL | National Asset Reconstruction Company Ltd |
| Non-OPEC | Organization of the Petroleum Exporting Countries |
| PECF | Pondicherry Engineering College Foundation |
| PHH | Primary Household |
| PLI | production linked incentive |
| PMGKAY | Pradhan Mantri Garib Kalyan Ann Yojana |
| PMI | Purchasing Manager Index |
| PPP | Public-Private Partnership |
| RBI | Reserve Bank of India |
| SDLs | State Development Loans |
| SEBI | Securities and Exchange Board of India |
| TTDF | Telecom Technology Development Fund |
| USOF | Universal Service Obligation Fund |
| WEO | World Economic Outlook |
| BGs | Bank Guarantees |
| BSNL | Bharat Sanchar Nigam Limited |
| G-secs | Government Securities |
| IOT | Internet of Things |
| ROI | Return on Investment |
| IIP | Index of Industrial Production |
| PMKVY | Pradhan Mantri Kaushal Vikas Yojana |
| STT | Short-term Training |
| DPP | Defence Procurement Procedure |
| M-SIPS | Modified Special Incentive Scheme |
| SPECS | Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors |
| E&P | exploration and production |
| IOCL | Indian Oil Corporation Limited |
| CGD | City Gas Distribution |
| MRO | Maintenance Repair & Overhaul |
| USV | Unmanned Surface Vehicle |

ABBREVIATIONS

| Term | Description |
|--------------------------|--|
| AS / Accounting Standard | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| A/c | Account |
| ACS | Associate Company Secretary |
| AGM | Annual General Meeting |
| ASBA | Applications Supported by Blocked Amount |
| Amt | Amount |
| AIF | Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended. |
| AY | Assessment Year |
| AOA | Articles of Association |
| Approx | Approximately |
| B. A | Bachelor of Arts |
| BBA | Bachelor of Business Administration |
| B. Com | Bachelor of Commerce |
| B. E | Bachelor of Engineering |
| B. Sc | Bachelor of Science |
| B. Tech | Bachelor of Technology |

| Term | Description |
|--|---|
| Bn | Billion |
| BG/LC | Bank Guarantee / Letter of Credit |
| BIFR | Board for Industrial and Financial Reconstruction |
| BRLM | Book Running Lead Manager |
| BSE | BSE Limited |
| BSE SENSEX | Sensex in an index; market indicator of the position of stock that is listed in the BSE |
| Banking Regulation Act | The Banking Regulation Act, 1949 |
| CDSL | Central Depository Services (India) Limited |
| CAGR | Compounded Annual Growth Rate |
| CAN | Confirmation of Allocation Note |
| Category I Alternate Investment Fund / Category I AIF | AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations |
| Category I Foreign Portfolio Investor(s) / Category I FPIs | FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations |
| Category II Alternate Investment Fund / Category II AIF | AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations |
| Category II Foreign Portfolio Investor(s) / Category II FPIs | FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations |
| Category III Alternate Investment Fund / Category III AIF | AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations |
| CA | Chartered Accountant |
| CB | Controlling Branch |
| CDSL | Central Depository Services (India) Limited |
| CC | Cash Credit |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CS | Company Secretary |
| CSR | Corporate social responsibility. |
| CFA | Chartered Financial Analyst |
| CS & CO | Company Secretary & Compliance Officer |
| CFO | Chief Financial Officer |
| CENVAT | Central Value Added Tax |
| CIBIL | Credit Information Bureau (India) Limited |
| CST | Central Sales Tax |
| COVID – 19 | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| CWA/ICWA/CMA | Cost and Works Accountant |
| CMD | Chairman and Managing Director |
| Companies Act | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification |
| Depository or Depositories | NSDL and CDSL. |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India |
| DP | Depository Participant |
| DP ID | Depository Participant’s Identification Number |
| EBITDA | Earnings Before Interest, Taxes, Depreciation & Amortisation |
| ECS | Electronic Clearing System |
| ESIC | Employee’s State Insurance Corporation |
| EPS | Earnings Per Share |

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

| Term | Description |
|----------------------------------|--|
| M. E | Master of Engineering |
| MRP | Maximum Retail Price |
| M. Tech | Masters of Technology |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MAPIN | Market Participants and Investors Database |
| MSMEs | Micro, Small and medium Enterprises |
| MoA | Memorandum of Association |
| NA | Not Applicable |
| Net worth | The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account |
| NEFT | National Electronic Funds Transfer |
| NECS | National Electronic Clearing System |
| NAV | Net Asset Value |
| NPV | Net Present Value |
| NRI | Non-Resident Indians |
| NRE Account | Non-Resident External Account |
| NRO Account | Non-Resident Ordinary Account |
| NSE | National Stock Exchange of India Limited |
| NOC | No Objection Certificate |
| NSDL | National Securities Depository Limited |
| OCB | Overseas Corporate Bodies |
| P.A. | Per Annum |
| PF | Provident Fund |
| PG | Post Graduate |
| PAC | Persons Acting in Concert |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| PLI | Postal Life Insurance |
| POA | Power of Attorney |
| PSU | Public Sector Undertaking(s) |
| Pvt. | Private |
| RBI | The Reserve Bank of India |
| ROE | Return on Equity |
| R&D | Research & Development |
| RONW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SCSB | Self-Certified Syndicate Banks |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time |
| SEBI Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. |

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

PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

CERTAIN CONVENTIONS

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

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

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

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

FINANCIAL DATA

Unless stated otherwise, the financial statements in this Red Herring Prospectus are derived from our Restated Financial Statements. The Restated Financial Statements comprises of the restated statement of assets and liabilities for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the restated statement of profit and loss, the restated statement of cash flows and the restated statement of changes in equity for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the summary of significant accounting policies and explanatory notes, prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended; the SEBI ICDR Regulations, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further information, see please refer section titled "*Restated Financial Statements*" beginning on page 204 of this Red Herring Prospectus.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, to what extent, the Restated Financial Statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 29, 143 and 209 respectively, of this Red Herring Prospectus, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the "*Restated Financial statements*" of our Company as beginning on page 204 of this Red Herring Prospectus.

CURRENCY AND UNITS OF PRESENTATION

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

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

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

DEFINITIONS

For definitions, please refer the chapter titled “*Definitions and Abbreviations*” beginning on page 1 of this Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 281 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

INDUSTRY AND MARKET DATA

Unless stated otherwise, the industry and market data and forecasts used throughout this Red Herring Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

FORWARD LOOKING STATEMENTS

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

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

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

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks;
- Changes in Customer demand;

- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*” and chapter titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 29, 143, and 209 of this Red Herring Prospectus, respectively.

By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance.

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

SECTION II - SUMMARY OF OFFER DOCUMENT

The following is a general summary of certain disclosures included in this Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Red Herring Prospectus or the Prospectus, when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Restated Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Outstanding Litigation and Material Developments”, “Issue Procedure” and “Main Provisions of The Articles Of Association” on pages 29, 58, 74, 95, 121, 143, 197, 204, 209, 218, 256 and 281, respectively.

SUMMARY OF OUR BUSINESS

Our Company is an Engineering Company, primarily engaged in the manufacturing of Valve solutions. Our extensive product portfolio encompasses a vast range of valves which includes Ball valves, Gate Valves, Globe Valves, Butterfly Valves, Check Valves, Double Block valves, Strainer Valves and Marine Valves which are manufactured using ferrous and non-ferrous materials, sizes ranging from 15mm to 600mm catering to diverse requirement across various valve Industries.

Our technical solutions build precision control systems to ensure longevity in various conditions. Our international standards manufacture valves for critical applications in various industries.

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

SUMMARY OF OUR INDUSTRY

We operate in the Valve Industry for manufacturing different types of Ball Valves, Gate Valves, Globe Valves, Check Valves, Butterfly Valves, etc. which are manufactured using ferrous and non-ferrous materials. A valve is a device or natural object that regulates, directs or controls the flow of a fluid (gases, liquids, fluidized solids, or slurries) by opening, closing, or partially obstructing various passageways. Valves are technically fittings, but are usually discussed as a separate category. In an open valve, fluid flows in a direction from higher pressure to lower pressure. It is simply a freely hinged flap which swings down to obstruct fluid (gas or liquid) flow in one direction, but is pushed up by the flow itself when the flow is moving in the opposite direction.

For more details, please refer chapter titled “Industry Overview” beginning on page 121 of this Red Herring Prospectus.

OUR PROMOTER

The promoter of our company is Mr. Gaurav Vijay Dalal.

SIZE OF ISSUE

The following table summarizes the details of the Issue. For further details, see “The Issue” and “Issue Structure” beginning on pages 58 and 251, respectively.

| | |
|----------------------------------|---|
| Issue of Equity Shares | Up to 13,69,800 Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity share (including a premium of [●] per Equity Share) aggregating to ₹ [●] Lakhs* |
| Of which: | |
| Market Maker Reservation Portion | Up to 69,600 Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs |
| Net Issue | Up to 13,00,200 Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs |

*The Issue has been authorized by our Board pursuant to resolutions passed at its meetings held on June 26, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on June 27, 2024.

The Issue and Net Issue shall constitute 26.38 % and 25.04 % of the post-Issue paid-up Equity Share capital of our Company.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects:

(₹ in Lakhs)

| Sr. No. | Particulars | Estimated Amount* |
|--------------|---|-------------------|
| 1. | Funding the Capital expenditure for purchase of new Plant and Machineries and Software by our Company | 673.11 |
| 2. | Expenditure for renovation of registered office and existing manufacturing unit | 38.88 |
| 3. | Repayment/prepayment of all or certain of our borrowings availed of by our Company | 1,050.00 |
| 4. | Pursuing inorganic growth initiatives through acquisitions#; and | 400.00 |
| 5. | General Corporate Purpose# | [●] |
| Total | | [●] |

*To be determined upon finalisation of the Issue Price and updated in the Prospectus prior to filing with the RoC.

#The amount to be utilised for general corporate purposes and inorganic growth initiatives does not individually exceed 25% of the Gross Proceeds respectively and does not exceed 35% collectively of the Gross Proceeds from the Fresh Issue, in accordance with Regulation 230(3) of the SEBI ICDR Regulations.

For further details, please refer to chapter titled “Objects of the Issue” beginning on page 95 of this Red Herring Prospectus.

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

Set forth is the Pre-Issue and Post-Issue shareholding of our Promoter and Promoter group as a percentage of the paid-up share capital of the Company:

| Category of Promoter | Pre-Issue | | Post-Issue | |
|------------------------|------------------|------------------------|------------------|-------------------------|
| | No. of Shares | % of Pre-Issue Capital | No. of Shares | % of Post-Issue Capital |
| Promoter | | | | |
| Mr. Gaurav Vijay Dalal | 24,67,036 | 64.55% | 24,67,036 | 47.52% |
| Total (A) | 24,67,036 | 64.55% | 24,67,036 | 47.52% |
| Promoter Group | | | | |
| Mr. Vijay Laldas Dalal | 1,87,500 | 4.91% | 1,87,500 | 3.61% |
| Total (B) | 1,87,500 | 4.91% | 1,87,500 | 3.61% |
| Total (A+B) | 26,54,536 | 69.46% | 26,54,536 | 51.13% |

SUMMARY OF RESTATED FINANCIAL STATEMENTS

(₹ in lakhs other than share data)

| Particulars | For the year ended March 31, | | |
|--|------------------------------|----------|----------|
| | 2024 | 2023 | 2022 |
| Share Capital | 850.00 | 350.00 | 55.00 |
| Net worth# | 1,221.98 | 312.21 | (24.64) |
| Total Revenue\$ | 3,660.06 | 1,643.42 | 1,215.24 |
| Profit after Tax | 413.27 | 45.56 | 28.98 |
| Earnings per share (Basic & diluted) (Post Bonus & Split) (₹)@ | 11.74 | 1.30 | 5.27 |
| Net Asset Value per Equity Share (Post Bonus & Split) (₹)* | 34.72 | 8.92 | (4.48) |
| Total borrowings^ | 1098.30 | 992.65 | 977.57 |

#Net Worth = Restated Equity Share Capital plus Restated Reserves & Surplus

\$Total Revenue = Restated Revenue from operations plus Restated Other Income

@ Earnings per share (Basic & diluted) = Restated profit after tax for the period divided by Restated number of Equity Shares outstanding during the period

*Net Asset Value per Equity Share = Restated Net worth divided by Restated number of Equity Shares outstanding during the period

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

QUALIFICATIONS OF AUDITORS

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Financial Information.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company, our Promoter, our Directors and our Group Companies as on the date of this Red Herring Prospectus is provided below:

| Name of Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigations | Aggregate amount involved (Rs in Lakhs) |
|-------------------------|----------------------|-----------------|-------------------------------------|---|----------------------------|---|
| Company | | | | | | |
| By the Company | NA | NA | NA | NA | NA | NA |
| Against the Company | NA | 3 | NA | NA | NA | 16.06 |
| Directors | | | | | | |
| By our Directors | NA | NA | NA | NA | NA | NA |
| Against the Directors | NA | 1 | NA | NA | NA | 0.05 |
| Promoters* | | | | | | |
| By Promoters | NA | NA | NA | NA | NA | NA |
| Against Promoters | NA | 2 | NA | NA | NA | 10.79 |
| Subsidiaries | | | | | | |
| By Subsidiaries | NA | NA | NA | NA | NA | NA |
| Against Subsidiaries | NA | NA | NA | NA | NA | NA |
| Group Companies | | | | | | |
| By Group Companies | NA | NA | NA | NA | NA | NA |
| Against Group Companies | NA | NA | NA | NA | NA | NA |

*Our Promoter is also the Managing director of the Company. Hence litigations against them have not been included under the heading of director to avoid repetition.

Brief details of top 5 Criminal Case against our Promoter:

| Sr. No. | Particulars | Litigation filed by | Current status | Amount involved |
|---------|-------------|---------------------|----------------|-----------------|
| 1. | NA | NA | NA | NA |

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 218 of this Red Herring Prospectus.

RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 29 of this Red Herring Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

The following is a summary table of our company’s contingent liabilities as:

(₹ in Lakhs)

| Particulars | As on March 31, 2024 | As on March 31, 2023 | As on March 31, 2022 |
|------------------------|----------------------|----------------------|----------------------|
| Contingent Liabilities | - | - | - |
| | - | - | - |

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 204 of this Red Herring Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

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

Annexure-IX- Statement of Related Party Transactions:

List of Related Parties where Control exists and Relationships:

| Name of the Related Party | Designation | Relationship |
|---|--|--|
| Mr. Gaurav Vijay Dalal | Chairman and Managing Director | Key Management Personnel (KMP) |
| Ms. Nidhi Krutik Shah | Company Secretary | |
| Mr. Dipesh Bhalchandra Dalvi | Chief Financial Officer | |
| Mr. Gaurav Vijay Dalal | Promoter | Promoters & their relatives having control |
| Ms. Mansi Gaurav Dalal | Relative of Promoter (Resigned as a Non-Executive Director w.e.f. June 27, 2024) | |
| Mr. Vijay Laldas Dalal | Relative of Promoter (Resigned as a Director w.e.f. April 17, 2024) | |
| Mr. Vishal Anil Parekh | Relative of Promoter | |
| Mr. Anil Parekh | Relative of Promoter | |
| Vinpra Engineering India Private Limited* | | Companies over which directors have significant influence or control |

*Mr. Gaurav Vijay Dalal resigned as a director w.e.f. September 26, 2022.

(₹ in Lakhs)

| Nature of Transactions | Name of Related Party | Relationship | Volume of Transaction During the Years | | |
|------------------------|--------------------------|------------------------------|--|-------------------------|-------------------------|
| | | | Ended on March 31, 2024 | Ended on March 31, 2023 | Ended on March 31, 2022 |
| 1. Director's | - Mr. Gaurav Vijay Dalal | Chairman & Managing Director | 18.00 | - | - |

| | | | | | |
|-----------------------------|--|--|---------------|--------------|--------------|
| Remuneration | - Ms. Mansi Gaurav Dalal | Non-Executive Director (Resigned w.e.f. June 27, 2024) | 12.63 | 13.75 | 0.50 |
| | - Mr. Vijay Laldas Dalal | Director (Resigned w.e.f. 17th April, 2024) | 8.55 | - | - |
| | | Total | 39.18 | 13.75 | 0.50 |
| 2. Professional Fees | - Mr. Gaurav Vijay Dalal | Chairman & Managing Director | 16.00 | 22.50 | 19.50 |
| | - Ms. Mansi Gaurav Dalal | Non-Executive Director (Resigned w.e.f. June 27, 2024) | - | - | 19.00 |
| | - Mr. Vijay Laldas Dalal | Director (Resigned w.e.f. 17th April, 2024) | 4.85 | 13.50 | 3.30 |
| | | Total | 20.85 | 36.00 | 41.80 |
| 3. Sales | - Vinpra Engineering India Private Limited (Mr. Gaurav Dalal resigned as a director w.e.f. September 26, 2022) | Companies over which KMP's have significant influence or control | 765.70 | 8.35 | 0.19 |
| | | Total | 765.70 | 8.35 | 0.19 |
| 4. Unsecured Loan | - Mr. Gaurav Dalal | Chairman & Managing Director | | | |
| | Opening Balance | | 4.58 | - | 48.27 |
| | Add: Loan Received During the Year | | 61.90 | 54.29 | 0.55 |
| | Less: Loan Repaid During the year | | 61.27 | 49.71 | 48.82 |
| | Closing Balance | | 5.21 | 4.58 | - |
| 5. Loan Advanced | - Mr. Vishal Parekh | Relative of Director | | | |
| | Opening Balance | | 1.05 | 30.26 | 30.65 |
| | Add: Loan Advanced During the Year | | - | 1.45 | - |
| | Less: Repayment Received During the year | | 1.05 | 30.65 | 0.40 |
| | Closing Balance | | - | 1.05 | 30.26 |
| | - Mr. Anil Parekh | Relative of Director | | | |

| | | | | | |
|---------------------|---|--|--------|-------|-------|
| | Opening Balance | | - | - | 13.50 |
| | Add: Loan Advanced During the Year | | - | - | - |
| | Less: Repayment Received During the year | | - | - | 13.50 |
| | Closing Balance | | - | - | - |
| | | | | | |
| 6. Trade Receivable | - Vinpra Engineering India Private Limited (Mr. Gaurav Dalal resigned as a director w.e.f 26th September, 2022) | Companies over which KMP's have significant influence or control | | | |
| | Opening Balance | | 2.08 | 0.25 | 0.25 |
| | Add: Debit Transactions | | 894.74 | 40.39 | 16.00 |
| | Less: Credit Transactions | | 737.89 | 38.56 | 16.00 |
| | Closing Balance | | 158.93 | 2.08 | 0.25 |

For details, please refer to chapter titled “*Restated Financial Statements*” beginning on page 204 of this Red Herring Prospectus.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter group, our directors and their relatives have financed the purchase by any other person of securities of our Company during one (1) year immediately preceding the date of this Red Herring Prospectus.

WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTER

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

| Sr. No. | Name of Promoter | No. of Equity Shares held | Number of Equity Shares acquired in the one year preceding the date of the Red Herring Prospectus | Weighted Average cost of Acquisition (in ₹)* |
|---------|------------------------|---------------------------|---|--|
| 1. | Mr. Gaurav Vijay Dalal | 24,67,036 | 6,00,000 | 0 |

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

**As certified by M/s Kava & Associates, Chartered Accountants, by way of their certificate dated July 12, 2024.*

AVERAGE COST OF ACQUISITION OF PROMOTER

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

| Sr. No. | Name of Promoter | No of Equity Shares held | Average cost of Acquisition (in ₹)* |
|---------|------------------------|--------------------------|-------------------------------------|
| | Mr. Gaurav Vijay Dalal | 24,67,036 | 0 |

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

**As certified by M/s Kava & Associates, Chartered Accountants, by way of their certificate dated July 12, 2024.*

DETAILS OF PRE-IPO PLACEMENT

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

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

Except as disclosed below, our company has not issued any Equity Shares for consideration other than cash in the one (1) year preceding the date of this Red Herring Prospectus:

| Date of Allotment | No. of Equity Shares | Face Value (₹) | Issue Price (₹) | Reasons of Allotment | Allottees | No. of Shares Allotted |
|-------------------|----------------------|----------------|-----------------|--|--|------------------------|
| July 10, 2024 | 3,02,184 | 10/- | 164.80/- | Conversion of Optionally Convertible Preference Shares of face value of ₹ 100/- each into Equity Shares by way of preferential allotment | Maharashtra Defence and Aerospace Venture Fund (MDAVF) | 3,02,184 |

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

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

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

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

SECTION III – RISK FACTORS

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

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. See chapter titled “Forward Looking Statements” beginning on page 20 of this Red Herring Prospectus.

To obtain a better understanding of our business, you should read this chapter in conjunction with other chapters of this Red Herring Prospectus, including the chapters titled “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Restated Financial Statements” on page 143, 209, 121 and 204 respectively of this Red Herring Prospectus, together with all other Restated Financial Statements contained in this Red Herring Prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus.

Unless otherwise stated, the financial data in this chapter is derived from our Restated Financial Statements for the financial years ended March 31, 2024, 2023, and 2022 as included in “Restated Financial Statements” beginning on page 204 of this Red Herring Prospectus.

MATERIALITY

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

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

INTERNAL RISKS

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

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

(Rs. in Lakhs)

| Particulars | For the Financial Year ended March 31, | | |
|-------------|--|------|------|
| | 2024 | 2023 | 2022 |

| | | | |
|--|----------|---------|----------|
| Net Cash Generated from Operating Activities | (107.33) | (42.79) | 113.76 |
| Net Cash Generated from Investing Activities | (264.76) | (91.07) | (3.66) |
| Net Cash Generated from Financing Activities | 465.37 | 166.00 | (128.34) |

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources.

If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

For details, please see chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 209 of this Red Herring Prospectus.

2. ***Any delays, interruptions or reduction in the supply of raw materials to manufacture our products and any abrupt fluctuations in the prices of our raw materials may adversely affect the pricing of our products and may have an impact on our Business, Results of Operation, Financial Condition and Cash Flows.***

Our Company is in the manufacturing of different types of valves which includes Ball valves, Gate Valves, Globe Valves, Butterfly Valves, Check Valves, Double Block valves, Strainer Valves and Marine Valves, for manufacturing our Company’s product portfolio, our company heavily relies on metal casting which serves as the primary raw material for our industrial valves. These castings, available in different grades of ferrous and non-ferrous materials, are sourced from foundries acting as suppliers to our organization.

To ensure the utmost quality, our company has established a solid network of reliable suppliers who consistently provide raw materials that align with our specifications. Before engaging in any business activities, all suppliers undergo a thorough audit process conducted by the Company.

The manufacturing quantity and the pricing of our products is significantly dependent on our ability to source quality raw materials at acceptable prices and maintain a stable and sufficient supply of the same. As per the Restated Financial Statements, our cost of material consumed were ₹ 2,998.44 Lakhs, ₹ 1,373.94 Lakhs and ₹ 924.68 Lakhs constituting 96.50 %, 86.92 % and 77.95 % of our total expenses for the Fiscals 2024, 2023 and 2022 respectively. Timely procurement of raw materials is crucial to avoid delays in our manufacturing process. As we rely on external parties for the procurement of raw materials, any delays in the delivery can significantly impact our execution process. The Raw Material we source is subject to price volatility and unavailability caused by factors beyond the control of our Company such as, weather conditions, supply and demand dynamics, logistics, our bargaining power with the suppliers, inflation and governmental regulations and policies.

However, if our Company is unable to effectively manage these costs or unable to increase the prices of our products to offset such increased costs, our margins, cash flows and overall profitability may be adversely affected.

3. ***We derive a significant portion of our revenues from a limited number of customers. The loss of, or a significant reduction in the revenues we receive from, one or more of these customers, may adversely affect our business.***

We derive a significant portion of our revenues from a limited number of large customers.

The details of contribution by our five and ten largest customers by revenue to our revenue from operations are set out below.

(in Lakhs)

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | | For the year ended March 31, 2022 | |
|-------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
| | Amount (in lakhs) | % of Revenue from Operations | Amount (in lakhs) | % of Revenue from Operations | Amount (in lakhs) | % of Revenue from Operations |
| | | | | | | |

| | | | | | | |
|-------------------------|----------|--------|----------|--------|----------|--------|
| Top 5 Customers | 2,624.61 | 71.88% | 1,437.00 | 87.60% | 1,171.20 | 96.50% |
| Top 10 Customers | 3,204.19 | 87.76% | 1,490.20 | 90.90% | 1,199.50 | 99.80% |

While we have not experienced any instances of discontinuation of the purchases from our ten largest customers by revenue in the past three Financial Years, our dependence on a limited number of customers may expose us to risks such as significant reductions in demand for our products from them in the future, including due to reasons beyond our control, such as them experiencing adverse market conditions or financial difficulties. Their demand for our products may also decrease in the future due to the deterioration of our relationships with them, potentially due to factors including disagreements or disputes relating to the quality, timeliness of delivery or pricing of our products. In addition, we may be susceptible to pricing pressures from them. We cannot assure that we will be able to maintain or increase the revenues generated from such customers, or maintain or improve our relationships with them. Also, while we seek to broaden our customer base, we cannot assure you that, in the event of any loss of the business of such customers, we will be able to derive revenues from other customers. Such occurrences may adversely affect our business, financial condition and results of operations.

4. We have certain outstanding litigation against us, an adverse outcome of which may affect our results of operations.

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

Cases Against our Company

| Nature of Cases | No of Outstanding Cases | Amount involved (In Lakhs) |
|-----------------------------------|--------------------------------|-----------------------------------|
| Criminal Complaints | -- | -- |
| Statutory/ Regulatory Authorities | -- | -- |
| Taxation Matters | 3 | 16.06 |
| Other Litigation | -- | -- |

Cases against our Director and / or Promoters

| Nature of Cases | No of Outstanding Cases | Amount involved (In Lakhs) |
|-----------------------------------|--------------------------------|-----------------------------------|
| Criminal Complaints | -- | -- |
| Statutory/ Regulatory Authorities | -- | -- |
| Taxation Matters | 3 | 10.84 |
| Other Litigation | -- | -- |

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

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

For further details of certain material legal proceedings involving our Company, our Promoter, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 218 of this Red Herring Prospectus

5. We derive a significant portion of our revenue from Ball Valves, Gate Valves, Globe Valves, Butterfly Valves and Check valves, any reduction in demand or in the production of such products could have an adverse effect on our business, results of operations and financial condition.

We derive a significant portion of our revenue from Ball Valves, Gate Valves, Globe Valves and Butterfly Valves. For the financial years 2022, 2023 and 2024, our revenue from Ball Valves, Gate Valves, Globe Valves, Butterfly Valves and Check Valves is as tabulated below:

| Product Wise Sales | | FY 2023-24 | | FY 2022-23 | | FY 2021-22 | |
|--------------------|---------------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| Sr No. | Product | Amount (Rs. Lakhs) | % of Revenue | Amount (Rs. Lakhs) | % of Revenue | Amount (Rs. Lakhs) | % of Revenue |
| 1 | Ball Valves | 1,319 | 36% | 469 | 29% | 539 | 44% |
| 2 | Gate Valves | 676 | 19% | 577 | 35% | 426 | 35% |
| 3 | Globe Valves | 560 | 15% | 340 | 21% | 154 | 13% |
| 4 | Butterfly Valves | 431 | 12% | 59 | 4% | 40 | 3% |
| 5 | Check Valves | 242 | 7% | 132 | 8% | 42 | 3% |
| 6 | Double Block Valves | 206 | 6% | - | 0% | - | 0% |
| 7 | Strainer Valves | 57 | 2% | - | 0% | - | 0% |
| 8 | Other Items | 160 | 4% | 63 | 4% | 14 | 1% |
| | Grand Total | 3,651 | 100% | 1,640 | 100% | 1,214 | 100% |

As certified by M/s Kava & Associates, Chartered Accountants, by way of their certificate dated July 12, 2024 as per the audited financial statements for the financial years ended March 31, 2024, 2023 and 2022.

For details, please see “Our Business –Our Business and Operations –Our Product” on page 143. Consequently, any reduction in demand or a temporary or permanent discontinuation of manufacturing of these product could have an adverse effect on our business, results of operations and financial condition

6. **Our Company sells its products for specific use by certain Industries. Any reduction in the demand or requirement of our products in such Industries may result in loss of Business and may affect our Financial Performance and Financial Condition.**

We have set-out below the industries where our products are used in various industries and the revenues generated from them:

| Revenue from Operations | For the period ended | | | | | |
|--|----------------------|-------|----------------|-------|----------------|-------|
| | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
| | Rs. In lakhs | % | Rs. In lakhs | In% | Rs. In lakhs | % |
| Ethanol, Breweries and Industrial Wastewater Treatment | 1,098.8 | 30.1% | 1,380.6 | 84.2% | 773.9 | 63.7% |
| Marine Allied Industry | 1,069.8 | 29.3% | 8.4 | 0.5% | 0.2 | 0.0% |
| Shipbuilding & Repair | 401.0 | 11.0% | - | 0.0% | 38.8 | 3.2% |
| EPC Contractors | 378.0 | 10.4% | 11.2 | 0.7% | 1.8 | 0.1% |
| Original Equipment Manufacturer (OEM) | 219.9 | 6.0% | 4.1 | 0.2% | 3.4 | 0.3% |
| Fire Safety | 125.3 | 3.4% | 1.3 | 0.1% | - | 0.0% |
| Chemicals & Process | 113.0 | 3.1% | 90.2 | 5.5% | 312.7 | 25.8% |
| Steel | 81.4 | 2.2% | 17.8 | 1.1% | 61.7 | 5.1% |
| Others | 164.0 | 4.5% | 126.2 | 7.7% | 21.6 | 1.8% |

| | | | | | | |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| GRAND TOTAL | 3,651 | 100.0 | 1,639 | 100.0 | 1,214 | 100.0 |
| | .2 | % | .9 | % | .1 | % |

As certified by M/s Kava & Associates, Chartered Accountants, by way of their certificate dated July 12, 2024 as per the audited financial statements for the financial years ended March 31, 2024, 2023 and 2022.

These customers use our products for their applications or processes or for manufacturing their own end use products in the relevant Industry in which they conduct their Business. Any reduction or fall in the demand of products or services of our customers operating in the relevant Application Industries may ultimately have an impact on our Business, Profitability and Financials. If the end-user demand is low for our customer's products, there may be significant changes in the orders from our customers or we may experience greater pricing pressures. Therefore, risks that could harm the Customers of our industry could, as a result, adversely affect us as well. Our success is therefore dependent on the success achieved by our customers in developing and marketing their products.

In the event our customers experience a reduced demand for their products, the same may affect our sales to such Customers or operating margins and both of these combined may gradually result in loss of Customers including our customers. Additionally, Industry-wide competition for market share of various products can result in aggressive pricing practices by our customers and therefore our customers may also choose to import some of these products which may provide them better cost benefits as compared to us or source the products from our competitors. This price-pressure from our customers may adversely affect the prices of the products which we supply, which may lead to Reduced Revenues, Lower Profit Margins or Loss of Market Share, any of which would have a material adverse effect on our Business, Results of Operations and Financial Condition. We cannot assure you that our other Customers would take similar actions such as cease to have Operations in India which may affect our Business.

- 7. *We source our 100 % raw materials from domestic market i.e. Gujarat and Maharashtra. Any adverse developments affecting our procurement in these regions could have an adverse impact on our revenue and results of operations.***

We source our 100 % raw materials from domestic market i.e. Gujarat and Maharashtra. This strategic decision allows us to benefit from the geographical advantages, ensuring timely delivery of all materials. For the Financial year ended March 31, 2022, 2023 and 2024, our raw material procurement from our suppliers situated in Gujarat contributed 66 %, 62 % and 53 % respectively of our total turnover and our suppliers situated in Maharashtra contributed 33 %, 38 % and 47 % respectively of our total turnover as per our Audited Financial Statements. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. Factors such as competition, regulatory regimes, business practices and customs, industry needs, transportation, high prices in other markets where we may procure our raw materials may differ from those in such regions, and our experience in these regions may not be applicable to other markets. Our inability to procure into areas outside such markets may adversely affect our business prospects, financial conditions and results of operations.

- 8. *We generate our major portion of sales from our operations in certain geographical regions especially, Maharashtra, New Delhi and Gujarat. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

For the Financial year ended March 31, 2022, 2023 and 2024 our revenue from our customers situated in Maharashtra contributed 40.66 %, 86.20 and 63.97 % respectively of our total revenue, there were no sales from New Delhi in the financial year 2022, however, it contributed 0.51 % and 20.97 % respectively of our total revenue and our customers situated in Gujarat contributed 48.81 %, 6.89 % and 2.84 % of our total revenue as per our Audited Financial Statements. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in such regions to expand our operations in other parts of India, should we decide to further expand our operations. Factors such as competition, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we plan to enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over

us. Our inability to expand into areas outside such markets may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance.

9. *The Restated Financial Statements have been provided by Peer Reviewed Chartered Accountants who is not Statutory Auditor of our Company.*

The Restated Financial Information of our Company as disclosed in section titled “*Restated Financial statements*” beginning on Page no. 204 of this Red Herring Prospectus for financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are provided by Peer Reviewed Chartered Accountants i.e., M/s. Vinay Bhushan & Associates, Chartered Accountants (having Peer Review Registration No. 015503) who is not the Statutory Auditor of our Company.

10. *Any disruption, breakdown or shutdown of our Manufacturing operations at our Manufacturing Facility could have an adverse effect on our Business, Financial Condition and Results of Operations.*

We operate from our Manufacturing Facility situated in Palghar Thane, in the state of Maharashtra. We depend heavily upon our ability to effectively manage our Manufacturing Facility, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions, fire, power interruptions and natural disasters.

However, our Company maintains comprehensive Insurance coverage to mitigate the risk arising out of such event. While there have been no such instances in Fiscals 2024, 2023 and 2022, any significant malfunction or breakdown of our machinery, our equipment, our automation systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair or properly maintain manufacturing assets in a timely manner or at all, our operations may need to be suspended until we repair or replace them and there can be no assurance that the new manufacturing assets will be repaired, procured or integrated in a timely manner. In addition, we may be required to carry out planned shutdowns of our Manufacturing Facilities for maintenance, statutory inspections, customer audits and testing if so, demanded by our customers, or we may shut down Manufacturing Facility for capacity expansion and equipment upgrades.

In particular, outbreak of a pandemic or any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the national, state or local Governments in any of the jurisdictions where our Manufacturing Facility is situated, could adversely affect our operations. In addition, we may also face protests from localities at our Manufacturing Facility which may delay or halt our operations. We have not experienced any significant disruptions at our Manufacturing Facility in Fiscals 2024, 2023 and 2022, we cannot assure you that there will not be any disruptions in our operations in the future. Our repairs and maintenance expenses were ₹ 5.03 Lakhs, ₹ 6.41 Lakhs and ₹ 0.36 Lakhs constituting 0.13 %, 0.99 %, 0.39 % and 0.03 % of our Revenue from Operations for Fiscals 2024, 2023 and 2022 respectively as per our Restated Financial Statements. Any inability to utilise our Manufacturing Facility, to their full or optimal capacity, non-utilisation of such capacity may adversely affect our Results of Operations and Financial Condition.

11. *There are certain outstanding litigations against two of the promoter group members, an adverse outcome of which may affect our reputation.*

Two of our promoter group members Mr. Anil Parekh and Mr. Vishal Anil Parekh have court cases and outstanding litigations against the Companies with which they are associated for which suits have been filed with various regulatory authorities.

We cannot assure you that any of the outstanding litigation matters will be settled in their favour. they may also be subject to legal actions by such regulatory authorities. Also, the promoter of our Company might not be aware of other pending litigations, (if any) outstanding against them due to not having closely held relations with them as on the date of this red herring prospectus.

Although, none of our Promoters or their family members and the individual promoter group members have been debarred by any regulatory authorities as on the date of this red herring prospectus. We are not sure that any such incidence shall not happen in future or at all in which instance the goodwill of the promoter cum directors shall be affected or the reputation can be affected of our Company.

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

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

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our related operations.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, see “Government and Other Statutory Approvals” on page 218 of this Red Herring Prospectus.

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

13. We are unable to trace few of our historical records, Also, in the past, there have been some instances of delays/non-filings/ non-compliance with certain statutory authorities, In the event we are found not to be in compliance with any applicable regulations in relation to the regulatory filings or corporate actions, we may be subject to regulatory actions or penalties for any such possible non-compliance/ non-filing/ delay and our business, financial condition and reputation may be adversely affected.

We have been unable to locate copies of certain of our corporate records and physical forms filed with the ROC. Following are the forms which are untraceable:

- i. Incorporation forms
- ii. Director’s appointment/resignation related forms on or before 2006,
- iii. Charge form 8 created on or before 2006
- iv. Transfer related forms executed by the Transferor and Transferee with the Company on or before 2006
- v. Annual Return forms before 2006
- vi. Any other forms physically filed before 2006

While we believe that these documents were duly filed on a timely basis, we have not been able to obtain copies of these documents from the RoC or otherwise. The relevant documents are also not available at the office of the RoC as certified by Adv, Bhupendra Dave –partner in Naavick Legal LLP, vide his search report dated July 12, 2024. We cannot assure you that the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect. Further we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

Further, in the past, there have been some instances of delays/ non-filing/ non-compliance with certain statutory authorities with certain provision of statutory regulations applicable to us such as:

- Delay in filing of Annual Returns for the Financial Years 2003-04, 2004-05, 2008-09, 2010-11, 2011-12, 2013-14, 2014-15, 2016-17, 2017-18, 2018-19, 2019-20, 2022-23.
- Delay in filing of Financial Statements for the Financial Years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21.
- Delay in filing of Compliance Certificate, Form 66 for the Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2013-14.

- Delay in filing of Form 23 B for reappointment of auditor for the FY 2007-08, 2008-09, 2010-11, 2011-12, 2012-13, 2013-14.
- Delay in filing form ADT-1 for Appointment of auditor of the company for 5 FY from 01/04/2015-31/03/2019, for 5 FY from 01/04/2017-31/03/2022, for 5 FY from 01/04/2020-31/03/2025 and for 5 FY from 01/04/2023-31/03/2028.
- Delay in filing of Form ADT-3 for resignation of Vijay Bhardwaj & Co.
- Delay in filing of Form 5 for Increase in authorized share capital from Rs 5,00,000 to Rs 40,00,000.
- Delay in filing of Form 23 for registration of resolution.
- Delay in filing of Form MGT-14 for filing resolution for approval of audited annual accounts for FY ending March 31, 2014, for allotment of 4,98,000 preference shares of Rs. 100/- each and 20,000 equity shares of Rs. 10/- each and conversion of Private to public limited company.
- Delay in filing of Form DPT-3 for FY ended March 31, 2023.
- Delay in filing of Form PAS-3 for allotment of 4,98,000 preference shares of Rs. 100/- each and 20,000 equity shares of Rs. 10/- each.
- Delay in filing of Form INC-27 for conversion of private company to public limited company.
- Delay in filing form 8 for Creation of charge having charge ID 10139523, 10139704, 10304648, 10304639, 10304646, 10310215, 10310214, 10324836, 10310214, 10419079, 100035877, 100259414, 100354336 and for Modification of charge having Charge ID 10139704, 10139523, 10304651, 10304648, 10310215, 10304651, 100040582, 100035877, 100035877, 100259414.

Further We cannot assure you that, in the future, we will not be subject to any liability on account of such non-compliances or that no action would be taken by the RoC or any other regulatory or statutory body in future in relation to this error. If we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition and results of operations. Further, there can be no assurance that there will be no such delays or non-compliances in the future and our Company will not be subject to adverse actions by the authorities.

Following are the details of the delays made in the past:

| Particulars | Expected date of filing | Actual date of filing | No. of days delay |
|-----------------------|-------------------------|-----------------------|-------------------|
| Annual Return 2003-04 | 29/11/2004 | 25/04/2006 | 513 days |
| Annual Return 2004-05 | 30/11/2005 | 27/04/2006 | 149 days |
| Form 23AC | 30/10/2006 | 10/11/2006 | 11 days |
| Form 66 | 29/10/2007 | 23/11/2007 | 25 days |
| Form 23AC | 29/10/2007 | 23/11/2007 | 25 days |
| Form 66 | 29/10/2008 | 11/11/2008 | 13 days |
| Form 23AC | 29/10/2008 | 13/11/2008 | 15 days |
| Form 20B | 28/11/2009 | 29/11/2009 | 1 day |
| Form 66 | 29/10/2009 | 12/01/2010 | 75 days |
| Form 23AC | 29/10/2009 | 12/01/2010 | 75 days |
| Form 66 | 30/10/2010 | 26/11/2010 | 27 days |
| Form 23AC | 30/10/2010 | 28/11/2010 | 29 days |
| Form 20B | 29/11/2011 | 20/04/2012 | 143 days |
| Form 66 | 30/10/2011 | 20/04/2012 | 173 days |
| Form 23AC | 30/10/2011 | 20/04/2012 | 173 days |
| Form 66 | 30/10/2012 | 06/12/2012 | 37 days |
| Form 23AC | 30/10/2012 | 06/12/2012 | 37 days |
| Form 20B | 29/11/2012 | 07/12/2012 | 8 days |
| Form 20B | 29/11/2014 | 28/01/2015 | 60 days |
| Form 66 | 30/10/2014 | 28/01/2015 | 90 days |
| Form 23AC | 30/10/2014 | 20/02/2015 | 113 days |
| Form MGT-7 | 29/11/2015 | 07/01/2016 | 39 days |
| Form AOC-4 | 30/10/2015 | 30/01/2016 | 92 days |
| Form AOC-4 | 30/10/2016 | 29/11/2016 | 30 days |
| Form MGT-7 | 29/11/2017 | 06/05/2019 | 523 days |
| Form MGT-7 | 29/11/2018 | 06/05/2019 | 158 days |
| Form AOC-4 | 30/10/2017 | 15/05/2019 | 562 days |
| Form AOC-4 | 30/10/2018 | 15/05/2019 | 196 days |
| Form AOC-4 | 30/10/2019 | 25/09/2021 | 695 days |
| Form MGT-7A | 29/11/2019 | 27/09/2021 | 668 days |
| Form MGT-7A | 28/02/2021 | 23/10/2021 | 237 days |
| Form AOC-4 | 29/01/2021 | 23/10/2021 | 267 days |
| Form AOC-4 | 24/12/2021 | 29/12/2021 | 5 days |
| Form MGT-7A | 29/11/2023 | 30/11/2023 | 1 day |
| Form 23B | 29/10/2007 | 26/10/2008 | 363 days |
| Form 23B | 14/10/2008 | 26/10/2008 | 12 days |
| Form 23B | 17/10/2010 | 09/07/2012 | 631 days |
| Form 23B | 15/10/2011 | 09/07/2012 | 268 days |

| | | | |
|-------------------|------------|------------|----------|
| Form 23B | 14/10/2012 | 11/11/2012 | 28 days |
| Form 23B | 15/10/2013 | 30/10/2013 | 15 days |
| Form ADT-1 | 15/10/2015 | 17/10/2015 | 2 days |
| Form ADT-1 | 15/10/2017 | 14/05/2019 | 576 days |
| Form ADT-1 | 15/01/2021 | 27/12/2021 | 346 days |
| Form ADT-3 | 31/10/2023 | 08/11/2023 | 8 days |
| Form ADT-1 | 14/10/2023 | 16/10/2023 | 2 days |
| Form 5 | 23/10/2006 | 08/11/2006 | 16 days |
| Form 23 | 23/10/2006 | 09/11/2006 | 17 days |
| Form DPT-3 | 30/06/2023 | 10/11/2023 | 133 days |
| Form PAS-3 | 09/11/2023 | 16/12/2023 | 37 days |
| Form MGT-14 | 03/11/2023 | 29/11/2023 | 26 days |
| Form MGT-14 | 01/03/2024 | 07/03/2024 | 6 days |
| INC-27 | 01/03/2024 | 09/03/2024 | 8 days |
| Form-8 (10139523) | 29/01/2009 | 04/02/2009 | 6 days |
| Form-8 (10139704) | 29/01/2009 | 05/02/2009 | 7 days |
| Form-8 (10139704) | 17/09/2009 | 22/09/2009 | 5 days |
| Form-8 (10139523) | 17/09/2009 | 01/10/2009 | 14 days |
| Form-8 (10304648) | 20/08/2011 | 07/09/2011 | 18 days |
| Form-8 (10304639) | 20/08/2011 | 07/09/2011 | 18 days |
| Form-8 (10310215) | 22/09/2011 | 11/10/2011 | 20 days |
| Form-8 (10310214) | 22/09/2011 | 11/10/2011 | 20 days |
| Form-8 (10324836) | 21/12/2011 | 29/12/2011 | 8 days |
| Form-8 (10310214) | 24/03/2013 | 17/04/2013 | 24 days |
| Form-8 (10304651) | 24/03/2013 | 17/04/2013 | 24 days |
| Form-8 (10304648) | 24/03/2013 | 17/04/2013 | 24 days |
| Form-8 (10419079) | 24/03/2013 | 17/04/2013 | 24 days |
| Form-8 (10310215) | 24/03/2013 | 17/04/2013 | 24 days |
| CHG-1 (100035877) | 24/06/2016 | 02/07/2016 | 8 days |
| CHG-1 (100259414) | 25/04/2019 | 09/05/2019 | 14 days |
| CHG-1 (100354336) | 10/07/2020 | 01/08/2020 | 22 days |
| CHG-1 (100040582) | 21/04/2019 | 09/05/2019 | 18 days |

14. Overcapacity and Oversupply in the Global Valve Industry may adversely affect the Company's Profitability.

In recent years, driven in part by strong growth in valves consumption in emerging markets, the global Valves industry has experienced an expansion of Valves production capacity. The growth of the Valves market is attributed to the growing Ethanol & Breweries, EPC, OEM, Marine, Shipbuilding, Chemicals and Process, etc. The increased production capacity, combined with a decrease in demand could result in production overcapacity in the Global Valves Industry. Such production overcapacity in the Global Valves Industry would intensify if the slowdown of the Global Economy is prolonged or demand from Developing Countries that have experienced significant growth in the past several years does not meet the growth in production capacity. Any production overcapacity and oversupply in the Valves industry would likely cause increased competition in valves industry around the world which would likely lead to reduced profit margins for Valves manufacturers, and also would likely have a negative effect on the Company's ability to increase valve production in general. No assurance can be given that the Company will be able to continue to compete in such an economic environment or that a prolonged slowdown of the global economy or production overcapacity will not have a material adverse effect on the Company's Business, Results of Operations, Financial Condition or Prospects.

15. We intend to utilise a portion of the Net Proceeds for funding our Capital Expenditure for purchase of certain Machineries and software. We are yet to place orders for such Capital Expenditure Machinery and software.

We intend to use a part of the Net Proceeds towards purchase of certain machineries for expansion at our manufacturing facility at Palghar, Maharashtra. While we have obtained quotations from different vendors in relation to the Plant and Machineries and software required for funding such capital expenditure, we are yet to place orders for such machinery and software. Our Company intends to utilise up to ₹ 673.11 Lakhs from the Net Proceeds to purchase machineries and software, there can be no assurance that we will be able to place orders for such machinery and software in a timely manner or at all. Further, in the event of any delay in placement of such orders, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly

16. We have not yet placed orders in relation to the funding Capital expenditure for renovation of registered office and existing Manufacturing unit for which it is proposed to be financed from the Issue proceeds of the IPO. In the event of any delay in placing the orders, or in the event the renovation is not completed in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected. Our proposed capacity expansion plans are subject to the risk of unanticipated delays in

implementation due to factors including delays in construction, obtaining regulatory approvals in timely manner and cost overruns.

We intend to use a part of the Net Proceeds for Funding Capital expenditure for renovation of registered office and existing Manufacturing unit situated at Thane, Maharashtra.

Total estimated cost as per quotation dated September 12, 2024 issued by the New Buildwell in respect of Funding Capital Expenditure towards renovation of our registered office and existing manufacturing unit is ₹ 38.88 Lakhs. We are yet to place orders for the capital expenditure for the Proposed Project. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Issue. Additionally, in the event of any delay in placement of such orders, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations.

Our Proposed Project may be subject to potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory, environmental and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, environment and ecology costs and other external factors which may not be within the control of our management. Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

17. The deployment of the portion of the Net Proceeds towards our strategic acquisitions and investments may not take place within the period currently intended, and may be reduced or extended.

Our Company proposes to utilise up to 400 Lakhs from the Net Proceeds towards strategic acquisitions and investments as permitted under the Memorandum of Association, in particular, with a view to expand our business through acquisition of entity, brand acquisition, purchase of assets/business or partnerships with third party foundry manufacturers. For further details, see "*Objects of the Issue-Details of the Objects-Funding strategic acquisitions and investments*" on page 95 of this Red Herring Prospectus. As we have not identified the potential acquisition targets, this amount is based on our management's current estimates, budgets and other relevant consideration and may not be the total value or cost of any such acquisitions. In the event the portion of the Net Proceeds to be utilised for the strategic acquisitions are insufficient, we may have to seek alternative sources of funding at additional finance costs, and the proposed acquisitions may not be completed on schedule, if at all.

While we intend to deploy the aforesaid portion of the Net Proceeds towards strategic acquisitions and investments over the next three financial years from listing of the Equity Shares pursuant to the Issue, and as described in the section titled "*Objects of the Issue*" on page 95, the actual deployment of funds will depend on a number of factors, including the timing, nature, size, location, cost of acquisition and number of acquisitions undertaken, as well as general macro or microeconomic factors affecting our results of operation, financial condition and access to funds (debt or equity). Depending upon such factors, we may, subject to applicable law, have to reduce or extend the deployment period for the funding of strategic acquisitions and investments beyond the estimated three financial years, at the discretion of our management.

18. Our Company in the usual course of Business does not have any long-term contracts with its customers and we rely on purchase orders for delivery of our products and our customers may cancel or modify their orders, change quantities, delay or change their sourcing strategy. Loss of one or more of our top Customers or a reduction in their demand for our products or reduction in revenue derived from them may adversely affect our Business, Results of Operations and Financial Condition.

Our Company has in the past received repeat orders from our customers and they continue to engage us, however we do not enter into long-term purchase contracts with our customers and we rely on purchase orders which govern the volume and other terms of our sale of products to them. Many of the purchase orders we receive from our customers specify pricing terms and the delivery schedule. Absence of any long-term contracts or contractual exclusivity with respect to our Business Arrangements with such Customers poses a challenge on our ability to continue to supply our products to these Customers in future. Moreover, we depend on a limited number of Customers, which exposes us to a risk of Customer concentration.

We may possibly experience issues executing a purchase order from a customer in accordance with the requirements of them on a timely basis. Additionally, our customers have certain specific requirements for product quality as well as delivery schedules and any failure to meet our customers' expectations and specifications could result in cancellation of orders or the risk of the Customer not placing any subsequent orders or might place orders for lesser quantity. There are also a number of factors, other than our performance, that could cause the loss of a customer such as, (a) increase in prices of raw materials and other input costs resulting in an increase in the price of our products; (b) changes in customer requirements and preferences; (c) changes in Governmental or Regulatory Policies and (d) slowdown in the Customer's Industry due to any reasons. Any of these factors may have an adverse effect on our Business, Results of Operations and Financial Condition. Due to the possibility of orders not being placed, cancellations or changes in scope and schedule of orders, which is typically at the discretion of our customers, or problems we encounter in order of execution or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent an order will be performed or that purchase orders will be, in one period as consistently as they have been in prior periods. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to any other uncompleted orders, or disputes with customers in respect of any of the foregoing, could materially affect our Cash Flow Position, Revenues and Earnings.

19. *We do not have long-term Agreements/Contracts with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our Business, Financial Condition and Results of Operations.*

Our Business is significantly affected by the availability, cost and quality of the raw materials and components with which we need to develop our products. Our principal raw materials include a Metal Castings for manufacturing the final product. We usually do not enter into long-term supply contracts with any of our raw material suppliers. The prices and supply of our raw materials depend on factors beyond our control, including General Economic Conditions, competition, production levels, transportation costs and duties. If, for any reason, our suppliers of raw materials curtail or discontinue their delivery of such materials to us in the quantities we need or at prices that are competitive or expected by us, our ability to meet the requirements of our customers could be impaired and our Earnings and Business could suffer. Further, we may not be able to pass on any increase in the cost of manufacturing our products to our customers, which may adversely affect our Results of Operations.

If we are unable to source our raw material from key suppliers in a timely manner, our production processes and results of operations may be adversely impacted. There can be no assurance that we would be able to source required quantities or qualities of raw material in a cost-effective manner in future periods. In addition, we usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from traders and stockiest on the spot basis. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw material that we require and we may be unable to pass these costs onto our customers, which may reduce our Profit Margins.

We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect our Business, Financial Condition and Results of Operations. Purchases made from our top 10 suppliers for the financial year ended March 31, 2024, 2023 and 2022, were ₹ 2,208.84 Lakhs, ₹ 1,000.38 Lakhs and ₹ 566.88 Lakhs representing 76.65 %, 79.66 % and 68.67 % of our total purchases for the financial year ended March 31, 2024, 2023 and 2022 respectively.

20. *Pricing pressure from customers may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sales, gross margin and profitability, which may adversely affect our business, financial condition and results of operations.*

We face pricing pressure from customers, which may manifest in various forms, such as through our customers negotiating for discounts in price as the volume of their orders increase. We depend on a limited number of customers for a substantial portion of our revenues. Any significant reduction in demand for our products from such customers may adversely affect our business and results of operations. In light of pricing pressures, we cannot assure you that we will be able to price our contracts with customers on terms or margins favorable to us. In response to pricing pressures, we would need to reduce operating costs in order to maintain profitability, such as through negotiating for lower prices of raw materials purchased, increasing our manufacturing efficiency and streamlining product designs. We cannot assure you that we will be able to avoid and mitigate future pricing pressure from our customers. Our inability to do so may adversely affect our business, financial condition and results of operations.

21. *Our ability to anticipate changes in Industry trends to meet customers' demands and any variations in the Government Regulations/policies or Technology Upgradation is a significant factor to remain competitive, any failure to identify and understand the trends may materially adversely affect our Business.*

Changes in Regulatory or Industry requirements, variation in any of the Government policies or Competitive Technologies may render certain of our products obsolete. Since our Business is Customer centric, our ability to anticipate changes in Technology and Regulatory standards and to successfully introduce new and enhanced products on a timely basis is a significant factor to remain competitive. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our Business and our Results of Operations may be adversely affected. We are also subject to the risks generally associated with new products and applications, including lack of market acceptance and failure of products to operate properly. Customer preferences in the markets we operate are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. To compete effectively in the industry, we must be able to produce new products to meet our Customers' demands in a timely manner. Our failure to successfully produce new products could materially and adversely affect our Results of Operations.

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

Our Company is mainly engaged in business of manufacturing of valves components catering to different industries and in different sizes which attracts tax liability such as goods & Service Tax, Income Tax and other applicable provision of the Acts. There were delays in making TDS, GST and Income Tax payments in the past due to Financial Hardships faced by the Company and some due to the effect of Lockdown during Covid – 19, currently the payment has been made by the Company under above applicable acts but any further demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of the Company. Also, after the onboarding Maharashtra Defence and Aerospace fund in Oct 2023, Company started preparing monthly cash flow to ascertain financial requirement of next month well in advance to avoid delay in the statutory payments. For detail, please refer "Outstanding Litigation and Material Development" beginning on page 218 of Red Herring Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

23. *We are dependent on third-party transportation providers for the supply of raw materials and delivery of our finished products.*

Our Manufacturing Facility is strategically located which in turn makes it possible for us to procure raw material in an effective and timely manner. We arrange transportation on lowest price and availability basis. However, despite being strategically located, our Company is dependent upon third party service providers for the transport of the raw materials and finished products. As a manufacturing business, our success depends on the uninterrupted supply and transportation of raw materials required for our Manufacturing Facility. We may or may not undertake the responsibility of delivery of raw materials or final products to or from our Manufacturing Facility or to our customers. We rely on third-party logistic service providers and freight forwarders for the purpose of the same. Factors such as transportation strikes could adversely impact the supply of raw materials and the delivery of our products. In the past three Fiscals, we have not experienced any material disruption in transportation services. Past increases in transportation costs have been negotiated with the relevant third party and benchmarked with market prices. However, any such reductions or interruptions in the supply of the raw materials we source from third parties, including abrupt increases in the transportation or fuel costs, inability on our part to find alternate sources for the procurement of such raw materials and termination in arrangements with our local transport agencies, if any could adversely affect our Business, Results of Operations and Financial Condition and may have an adverse effect on our ability to manufacture or deliver our products in a timely or cost effective manner.

24. *We may not be able to accurately manage our inventory, this may adversely affect our goodwill and business, financial condition and results of operations.*

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture and trade inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows. We estimate our sales based on the forecast, demand and requirements and also on the customer specifications. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts may adversely impact the supply of raw material and local transportation. Should our supply of raw materials be disrupted, we may not be able to procure an alternate source

of supply in time to meet the demands of our customers. Such disruption to supply would materially and adversely affect our business, profitability and reputation. In the past we have not experienced any instances of disruptions to the delivery of product to our customer occurred for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could have led to delayed or lost deliveries or damaged products and disrupt supply of these products., but there is no guarantee that these instances will not happen in future to improve our line capability, we try to stock our inventory at our manufacturing facility. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we overstock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.

25. *Exchange rate fluctuations may materially and adversely affect our business, financial performance, cash flows and prospects as some portion of our revenues and expenditures are denominated in foreign currencies.*

We had in the past undertaken operations in other countries. Emerging markets are vulnerable to market and economic volatility to a greater extent than more developed markets, which presents risks to our business and operations. This exposes us to foreign exchange related risks as a portion of our revenue from operations with customers was from exports.

The exchange rate between the Indian Rupee and foreign currencies, has fluctuated in the past and our business, results of operations, financial condition and cash flows have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our business, results of operations, financial condition and cash flows. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards.

While we have entered into foreign transactions in the FY 2022-2023 and FY 2021-2022, our ability to foresee future foreign transactions and currency fluctuations to be limited. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Indian Rupee. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our business, results of operations, financial condition and cash flows and cause our results to fluctuate and/or decline. We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies in future.

26. *We have entered into and may enter into related party transactions in the future also.*

Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge. Our Company had entered into various transactions with our Promoter, Promoter Group, Directors and their Relatives and Group Companies & entities. The Percentage of total related party sales to revenue from operations is 0.51 % and 0.02 % for the year ended on March 31, 2023 and 2022 Respectively, and Our Company entered into such transactions at arm length price due to easy proximity and quick execution. Also, the transactions are in compliance with Companies Act, 2013 and other applicable provisions. 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 favorable 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.

27. *High debt-equity ratio of the Company in the previous Financial years.*

The debt-equity ratio of the company in FY 2022-23 was 3.18. However, the same has been reduced to 0.90 in FY 2023-24. The reduction in debt-equity ratio was due to increase in the equity base of the company. The company also received a funding of Rs 500 lakhs from Maharashtra Defence and Aerospace Venture Fund. The company plans to use the IPO proceeds towards the repayment of debt and going forward, the debt-equity ratio will be even lower. However, in future Company may face increase in debt-equity ratio due to unanticipated circumstances which may have adverse effects on the business of Company.

28. *We have incurred indebtedness. In addition, certain of our financing agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition.*

Our company operates in the industry which is capital intensive in nature, and we fund a large part of our operations through financing from banks. As on March 31, 2024, we had total financial indebtedness of ₹ 1,098.30 lakhs. For further information on our secured borrowings, see “Financial Indebtedness” on page 207 of this Red Herring Prospectus. We usually finance our working capital requirements mainly through our internal accruals and arrangements with banks. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments.

Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. We are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates and the lenders are entitled to charge the applicable rate of interest, which is a combination of a base rate/MCLR rate that depends upon the policies of the RBI and a contractually agreed spread. Further, in recent years, the GoI has taken measures to control inflation, which included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows, and financial condition.

Further, if the Company fails to fulfil the conditions of loan arrangement with few or all of the Banks or Financial Institution then it will substantially affect our reputation in the industry which may result in losing the major Customers.

29. *We propose to repay or prepay all or a portion of certain outstanding borrowings availed by our Company.*

Our Company has entered into financial arrangements from time to time, with various banks and financial institutions. The outstanding loan facilities entered into by our Company include secured and unsecured borrowing in the form of Loan against property of our Company and personal guarantees of the Directors and Promoters. For further details, please refer “Financial Indebtedness” on page 207 of this Red Herring Prospectus. As on March 31, 2024, the aggregate outstanding secured borrowings of our Company, is ₹1,084.08 Lakhs. Our Company proposes to utilise an estimated amount of ₹1,050.00 Lakhs from the Net Proceeds towards part or full repayment and/or prepayment of borrowings availed by us. The actual mode of such deployment has not been finalised as on the date of this Red Herring Prospectus. The prepayment of the loan is not subjected any prepayment penalty. The outstanding amount of such loan as on March 31, 2024 is 1,084.08 Lakhs. For details, see “Objects of the Issue” on page 95. We believe that such repayment or prepayment will help reduce the outstanding indebtedness of our Company. In addition, we believe that this would help reduce our outstanding indebtedness and our debt servicing costs and enable utilisation of our internal accruals for further investment in the growth and expansion of its business. However, no assurance can be made that our Company will not require further funding and that such funding will be available at attractive rates or that by repaying the borrowings, will in fact improve our available funding alternatives.

30. *We face competition from domestic market and our inability to compete effectively may have a material adverse impact on our business, financial condition and results of operations.*

Operating in a competitive environment with limited manufacturers qualifying to supply to the maritime defence industry can be both challenging and advantageous. The valve sector, in particular, experiences competition from a diverse range of players, and large established entities. Despite a few acquisitions within the industry, the valve market remains fragmented.

Fortunately, our company's demand position is strengthened by certain requirements imposed by purchasers. These requirements ensure that only manufacturers with significant experience and technical expertise are eligible to obtain inquiries. By successfully meeting these requirements and delivering valves according to stringent quality procedures and timelines, our company has qualified for limited tenders published by various shipyards. This success further establishes our company as a preferred brand in the marine industry, known as "RAPID."

It is important to note that the marine defence industry demands high-quality products and timely delivery due to the significant stakes involved and the application of major liquidated damages clauses by shipyards. Our company's rich experience in marine valve manufacturing allows us to meet these demands and provide the necessary assurance to shipyards.

Overall, our company's position as a preferred brand in the marine industry, combined with our technical expertise and experience, gives us a competitive edge in the niche marine markets and the maritime defence industry. If we fail to do so, our competitors may be able to sell their products at prices lower than ours, which may adversely affect on our market share, results of operations and cash flows.

Some of our competitors may be larger than us and may benefit from greater economies of scale and operating efficiencies. There is no assurance that we can continue to effectively compete with such manufacturers in the future, and failure to compete effectively may have an adverse effect on our business, financial condition, results of operations and cash flows. Moreover, the competitive nature of the valve industry may result in lower prices for our products and decreased gross profit margins, either of which may materially adversely affect our sales, profitability and cash flows.

31. ***Our Company's Logo "RAPID[®]" is registered with Registrar of Trademark and Brand name"***

 ***" is not registered, any infringement of our brand name or failure to get it registered may adversely affect our Business. Further, any kind of negative publicity or misuse of our brand name could hamper our Goodwill and our future Growth Strategies could be adversely affected.***

The measures we take to protect our Intellectual Property including initiating legal proceedings, may not be adequate. Further, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that the aforesaid registration is granted.

Our brand "" which consist of logo is registered, however, company is yet to make an application for registration with the Registrar of Trademark for registration of our brand name. Further, our logo "

 " under class 6 under trademark is registered trademark. If we are unable to register our brand name in the future in our name or any objection on the same may require us to change our logo and brand name, we may lose the goodwill created so far. Further, the same may involve costly litigations and penal provisions if some legal consequences arise if someone from outside use our logo and brand name of the Company. We believe that our future growth and competitiveness would depend on our ability to establish and strengthen our Brand. We cannot guarantee that we will be able to make a lasting brand image with our clients and other people in the absence of a logo and brand name. Although, we believe that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our Business Values and our Operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our Business, Financial Condition and Results of Operations.

32. ***Our inability to effectively manage our growth could have an adverse effect on our business, results of operations and financial condition.***

We have experienced considerable growth over the past three years and we have significantly expanded our operations and product portfolio. Our total revenues grew from ₹ 1,643.42 lakhs for the financial year 2023 to ₹ 3,660.06 lakhs for the financial year 2024, while our profit for the period grew from ₹ 45.56 lakhs for the financial year 2023 to ₹ 413.27 lakhs for the financial year 2024. Further, our revenue and profits for the financial year ended 2022 stood at Rs. 1215.24 lakhs and 28.98 lakhs respectively. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate. Our inability to manage our business plans effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition. Further, our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to maintain the quality of our products, general political and economic conditions in India, government policies or

strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates.

In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs or operate our business effectively. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to select and retain key managerial personnel. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations, or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

33. *We are subject to strict quality requirements and any product defects or any failure by us to comply with quality standards may lead to the cancellation of existing and future orders, product recalls and exposure to potential product liability claims, warranty claims and other disputes.*

We face an inherent business risk of exposure to product defects. We may not be able to meet regulatory relevant quality standards in India, or the quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If any of our products do not meet regulatory standards or are defective, we may be, inter alia, (i) responsible for damages relating to any defective products, (ii) required to replace, recall or redesign such products or (iii) incur significant costs to defend any such claims.

Our Company has been accredited with various quality certifications such as ISO 9001:2015, 14001:2015, ISO 45001: 2018. Our company is IBR approved and API607 fire safe design Ball Valves, Type approvals for various marine valves approved company. Through years of field application experience, we have designed products that meet the stringent requirements of today's flow control in Industry. Quality & Reliability is an Integral part of our practice and culture that guides our actions to deliver Products and Services that are safe and in line of near Zero Emission Technology.

The failure by us or any of our suppliers to achieve or maintain compliance with regulatory requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, until a new supplier has been identified and evaluated. We have implemented quality control processes and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured by job workers on the basis of our internal quality standards. However, we cannot assure you that our job workers will always adhere to such standards and that our quality control processes will not fail or the quality tests and inspections conducted by us are accurate at all times. There is no assurance that our products will always meet the satisfaction of our customers' quality standards. Although we have not faced any failure to comply with applicable regulations in the past, we cannot assure in future if our failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals or renewal, delays, suspensions or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. There can be no assurance that if we need to engage new suppliers to satisfy our business requirement, we will be able locate new suppliers in compliance with regulatory requirements in a timely manner, or at all. Failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue.

34. *Grants of stock options under any employee stock option plans may result in a charge to our statement of profit and loss and, to that extent, reduce our profitability and financial condition.*

As on the date of this Red Herring Prospectus, we have not granted options under our ESOP plan. However, we may in future grant options or establish additional employee stock option schemes or plans, under which eligible employees may participate, subject to the requisite approvals having been obtained. Grants of stock options result in a charge to our statement of profit and loss and reduce, to that extent, our reported profits in such periods.

35. *Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.*

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, air and water discharges and other aspects of our operations. Although no accidents /incidents occurred in past in our company and we also believe that we have implemented safety related measures, any accidents at our facilities may result in personal injury or loss of life of our employees or other people, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation. Additionally, adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

36. *A shortage or non-availability of electricity or power may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.*

Our manufacturing operations require a significant amount and continuous supply of electricity and power and any shortage or non-availability may adversely affect our operations. We currently source our power requirements from state electricity board for majority of our energy requirements. Although we have diesel generators to meet exigencies at our facility, but we cannot assure you that our facility will be operational during power failures. Any failure on our part to obtain alternate sources of electricity, fuel or power, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

37. *Failure to deal effectively with fraudulent activities on emails would increase our fraud losses and harm our business and could severely diminish seller and consumer confidence in and use of our services.*

We face risks with respect to fraudulent activities on our emails. Although we have implemented measures to detect and reduce the occurrence of fraudulent activities, scams, including encouraging reporting of concerns, gating and monitoring higher-risk activities, evaluating sellers on the basis of their transaction history, and restricting or suspending some sellers, we cannot assure you that these measures will be effective in combating fraudulent transactions or improving overall satisfaction among sellers and consumers. We will need to evolve to combat fraudulent activities as they develop. Any failure to evolve could result in loss of consumer trust. At the same time, the implementation of additional measures to address fraud could negatively affect the attractiveness of our offerings to consumers and sellers, or create friction in our consumers' experience.

38. *Our success largely depends upon our ability to attract and retain our Promoters, Directors, Key Managerial personnel and Senior Management with technical expertise. Our inability to attract and retain them and other personnel with technical expertise could adversely affect our business, financial condition and results of operations.*

Our success largely depends upon our ability to attract and retain our Promoter, Directors, Key Managerial personnel and Senior Management with technical expertise. Our inability to attract and retain them and other personnel with technical expertise could adversely affect our business, financial condition and results of operations. There is significant competition for management and other skilled personnel in our industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. If we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further information, see "Our Management" on page 181 of this Red Herring Prospectus

39. *Our inability to meet the changes in technology or advancement requirements in our current manufacturing process, may render our current technologies obsolete or may require additional investments which may have an adverse effect on the Business, financial condition and results of operations.*

Technology advancement and upgradation is essential in our industry to keep up with an increasing demands in the market and make the process smooth in terms of manufacturing larger output. However, our technology may become obsolete and Company would then require to make substantial amounts of investments to strive to keep our technology in line with the latest technological standards.

Further, the cost that may be involved in upgrading to the latest technology and modernization in the current manufacturing unit may adversely affect the Business and results of operations of the Company.

40. *Our Promoter may be interested in us other than in terms of remuneration and reimbursement of expenses, and this may result in conflict of interest with us.*

In future our Promoter may be interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and our stock options and benefits arising therefrom. Our Promoter is also interested in us to the extent of his/her shareholding in us and any other benefits that may arise from the shareholding therefrom. We cannot assure you that our Promoter will exercise their rights as shareholders to our benefit and best interest.

41. *Some of KYC documents of our promoter and one of our Director is not renewed.*

One of our Promoter, Mr. Gaurav Vijay Dalal possess driving license and Non-executive Independent Director, Mr. Dayaram Paliwal possess passport which are expired and application for renewal of passport of Mr. Dayaram Paliwal has been applied. We can't assure you that the above renewals will be able to come at the time of filing of this Red Herring Prospectus and will be available in a timely manner or at all in near future.

42. *In case of any inability arise to source business opportunities effectively, we may not achieve our financial objectives.*

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

43. *We depend on skilled personnel and if we are unable to recruit and retain skilled personnel, our ability to operate or grow our business could be affected.*

Our Business Operation requires skilled and creative manpower intensive and we engage a considerable number of skilled personnel every year to sustain our growth. Further, we spend significant time and resources in training the manpower we hire. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects.

44. *The industry in which we operate is labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*

Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized and we have in past not faced any instances of trouble from our labours, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our

management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

- 45. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize the Net Proceeds of the Issue and the Objects have not been independently appraised by a bank or a financial institution. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use the Net Proceeds of the Issue for the purposes described in the section titled “*Objects of the Issue*” on page 95. The Objects of the Issue are: a) Funding the Capital expenditure for purchase of Plant and Machineries and Software by our Company; b) Expenditure for renovation of registered office and existing manufacturing unit c) Repayment/prepayment of all or certain of our borrowings availed of by our Company; d) Pursuing inorganic growth initiatives through acquisitions and e) General Corporate Purposes.

The Objects of the Issue have not been appraised by any bank or financial institution, and certain our funding requirement is based on current conditions, internal estimates and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from that of any third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the Objects of the Issue would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue, at such price and in such manner in accordance with applicable law.

- 46. *Our Promoter and members of our Promoter Group will be able to exercise significant influence and control over us after the Issue and may have interests that are different from or conflict with those of our other shareholders.***

As on the date of this Red Herring Prospectus, our Promoter and Promoter Group collectively hold 69.46% of the paid-up Equity Share capital of our Company. Post-Issue, the Promoters will continue to collectively hold substantial shareholding in our Company. For details of their shareholding pre and post-Issue, see “*Capital Structure*” on page 74. By virtue of their shareholding, our Promoters will have the ability to exercise significant control and influence over our Company and our affairs and business, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoter may be different from or conflict with our interests or the interests of our other shareholders in material aspects and, as such, our Promoters may not make decisions in our best interests.

- 47. *Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] % of the Issue Proceed.***

As on date we have not identified the use of such funds. Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] % of the Issue Proceed. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management subject to the applicable laws and in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act. For details, please refer the chapter titled “*Objects of the Issue*” beginning on Page No. 95 of this Red Herring Prospectus.

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

Since the issue size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company, subject to applicable laws 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.

49. *The orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations.*

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of machinery, shortage of raw materials, etc. or the control of our customers may postpone the delivery of such products or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers' discretion or delay in procurement of raw material or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed.

50. *We have taken guarantees from our directors, promoter and promoter group member in relation to Debt Facilities provided to us.*

We have taken guarantees from our directors and Promoter Group members in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled "*Financial Indebtedness*" beginning on page 207 of this Red Herring Prospectus.

51. *We may not be fully insured for all losses we may incur.*

Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions, limitations of liability set forth in our contracts may not be enforceable in all instances or may not otherwise protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our clients, are generally not limited under those agreements. We have taken various insurance policies, details of which is mentioned in the section titled, "*Insurance*" under the chapter titled, "*Our Business*" on page 143 of the Red Herring Prospectus. Although we believe we have adequate insurance coverage but that coverage may not continue to be available on reasonable terms or to be available in sufficient amounts to cover one or more large claims, and our insurers may disclaim coverage as to any future claim. Insurance coverage may be an inadequate remedy where the loss suffered is not easily quantifiable, for example, in the event of severe damage to our reputation. The successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.

52. *Our business may expose us to potential product liability claims, which could adversely affect our results operation, goodwill and the marketability of our products.*

While we are not directly exposed to potential product liability claims given the nature of our business, we may be exposed to certain risks associated with the purchase orders issued by us, and the severity and timing of such claims are unpredictable. We face the risk of loss resulting from, and the adverse publicity associated with, lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. Such claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful claims would likely require us to incur substantial amounts on litigation and require our management's time and focus. Any loss of our reputation or brand image may lead to a loss of existing business contracts and affect our ability to enter into additional business contracts in the future, which may have an adverse effect on our business, results of operations, financial condition and cash flows. Accordingly, such claims, may adversely affect our results of operation, goodwill and the marketability of our products.

53. *Failure or disruption of our IT, manufacturing automation systems may adversely affect our business, financial condition and results of operations.*

We have implemented various information technology (“IT”) systems to cover key areas of our operations, procurement, dispatch and accounting. We also have various ERP software that for our manufacturing and production. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems or manufacturing automation systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. While we have not faced significant disruptions in past, any such malfunction or disruptions in future could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, manufacturing automation systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, financial condition and results of operations.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders’ investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 203 of this Red Herring Prospectus.

55. *Employee misconduct including misuse of confidential data and failure to maintain confidentiality of information could harm us and is difficult to detect and deter.*

We could be harmed by employee misconduct if our customers’ confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of the contract. While there have been no instances during the last three financial years of information technology breach or instances of cyber-attack, assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

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

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

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled “*Industry Overview*” beginning on page 121 of this Red Herring Prospectus. We have made disclosures in the said chapter on the basis of the relevant industry related data

available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Red Herring Prospectus. Further, the industry data mentioned in this Red Herring Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Red Herring Prospectus in this context.

- 57. *Information relating to the installed manufacturing capacity of our manufacturing facility included in this Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the historical installed capacity and estimated capacity utilization of our manufacturing facility included in this Red Herring Prospectus is based on various assumptions and estimates of our management and the Chartered Engineer, please refer to “*Our Business*” on page 143 of this Red Herring Prospectus for further details. Actual production volumes and capacity utilization rates, however, may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Red Herring Prospectus.

ISSUE RELATED RISKS

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

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

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

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the Book Running Lead Manager. Furthermore, the Issue Price of our Equity Shares has been determined by book building method. These will be based on numerous factors (For further information, please refer chapter titled “*Basis for Issue Price*” beginning on page 109 of this Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares upon listing on the Stock Exchange. The price of our Equity Shares upon listing on the Stock Exchange will be determined by the market and may be influenced by many factors outside of our control.

- 60. *Our Equity Shares have never been publicly traded, and may experience price and volume fluctuations following the completion of the Issue. Further, our Equity Shares may not result in an active or liquid market and the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Issue Price or at all.***

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for our Equity Shares will develop or, if developed, does not guarantee the liquidity of such market for the Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Issue Price of the Equity Shares has been determined by our Company in consultation with the BRLM through the Book Building Process. 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.

- 61. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the NSE Emerge in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could

be a failure or delay in listing the Equity Shares on the NSE Emerge. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

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

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

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

64. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding Rs.1,00,000, realized on the sale of equity shares held for more than 12 months immediately preceding the date of transfer, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long gains tax in India.

Term capital The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a nondelivered basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2024 and the Finance Act, 2024 received assent from the President of India on February 15, 2024. There is no certainty on the impact that the Finance Act, 2024 may have on our business and operations or in the industry we operate in.

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

Our restated financial statements, including the financial statements provided in this Red Herring Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, refer chapter titled “Presentation of Financial Industry and Market Data” beginning on Page 18 of this Red Herring Prospectus.

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

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

66. 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 fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the 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.

EXTERNAL RISKS

67. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India’s sovereign debt rating or a decline in India’s foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic

environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GOI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

68. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

69. Our business is affected by global economic conditions, especially in the geographies we cater to, which may have an adverse effect on our business, financial condition, results of operations and prospects.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Financial disruptions may occur again and could harm our business, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there

is any significant financial disruption, this could have an adverse effect on our business, financial condition and results of operations.

In February 2022, hostilities between Russia and the Ukraine commenced, which has led stock, commodities and foreign exchange markets worldwide to fluctuate. In addition, the market price of oil has risen sharply since the commencement of hostilities in the Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, financial condition, results of operations and prospects may be adversely affected.

70. *Changing regulations in India could lead to new compliance requirements that are uncertain.*

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

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

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

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

Our operations including our manufacturing facilities and research and development activities may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our Senior Management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Any of the above factors may adversely affect our business, financial condition and results of operations.

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.

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

Inflation is crucial to determine one's purchasing power. In other words, inflation is a measure that causes the prices of both goods and services to rise over time and buyers will feel the pinch as it affects their personal finance, particularly spending and buying habits. Any factor that causes prices of goods and services to rise in the market and create instability in consumption leads to inflation. There are two indices that are used to measure inflation in India — the consumer price index (CPI) and the wholesale price index (WPI). These two measure inflation on a monthly basis taking into account different approaches to calculate the change in prices of goods and services.

India's retail inflation, which is measured by the consumer price index (CPI), eased to 5.02% in Sep. 2023, from 6.83% in Aug. this year, according to the latest data from the Ministry of Statistics and Programme Implementation. In the last two years, CPI hit the highest of 7.79% in April 2022, and the lowest of 4.06% in Jan. 2021. The

wholesale Price Index (WPI), which calculates the overall prices of goods before selling at retail prices, is at (-)0.52% in Aug., (-)1.36% in July 2023, (-)4.12% in June, (-)3.48% in May, and (-)0.92% in April 2023.

India's retail inflation eased to a three-month low of 5.02% in Sep. 2023. The CPI reading continues to cross the Reserve Bank of India's upper tolerance medium-term target of 4% within a band of 4+/- 2%. The RBI projects the headline inflation or the CPI at 5.4% for 2023-24. The real GDP growth is projected at 6.5% with Q1 at 8.0% during the period. Meanwhile, the Sep. 2023 inflation in the U.S. suggests that the consumer price index increased 3.7% year-over-year. The nation's GDP accelerated to 2.1% in the second quarter. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, financial condition and results of operations.

73. *The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.*

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our chemical products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition and results of operations.

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

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. For further details, see "Restrictions on Foreign Ownership of Indian Securities" on page 280 of this Red Herring Prospectus. If the transfer of shares 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 or a tax clearance certificate from the income tax authority. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

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

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

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

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, companies can voluntarily opt in

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

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

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

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

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

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

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

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

market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

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

SECTION IV – INTRODUCTION

THE ISSUE

| PRESENT ISSUE OF EQUITY SHARES BY OUR COMPANY IN TERMS OF THIS RED HERRING PROSPECTUS | |
|--|--|
| Equity Shares Issued (1)(2)(3) | Up to 13,69,800*, Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs |
| Out of which: | |
| Issue Reserved for the Market Maker | Up to 69,600 Equity Shares of face value of ₹10/- each fully-paid up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs |
| Net Issue to the Public | Up to 13,00,200 Equity Shares of having face value of ₹10/- each fully paid-up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs |
| Out of which* | |
| QIB Portion (4) | Not more than 6,49,200 Equity Shares aggregating up to ₹ [●] Lakhs. |
| Of which: | |
| Anchor Investor Portion | Up to 3,89,400 Equity Shares aggregating to ₹ [●] Lakhs |
| Net QIB Portion (Assuming Anchor Investor Portion is fully subscribed) | 2,59,800 Equity Shares aggregating to ₹ [●] Lakhs |
| Of which: | |
| Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | Up to 12,000 Equity Shares aggregating to ₹ [●] Lakhs |
| Balance of QIB Portion for all QIBs including Mutual Funds | Up to 2,47,800 Equity Shares aggregating to ₹ [●] Lakhs |
| Non-Institutional Portion | Not less than 1,95,600 Equity Shares aggregating up to ₹ [●] Lakhs |
| Retail Portion | Not less than 4,55,400 Equity Shares aggregating up to ₹ [●] Lakhs |
| Pre and Post – Issue Equity Shares | |
| Equity shares outstanding prior to the Issue | 38,22,184 Equity Shares of face value of ₹10/- each fully paid-up |
| Equity shares outstanding after the Issue | Up to 51,91,984 Equity Shares of face value of ₹10/- each fully paid-up |
| Use of Net Proceeds | Please refer to the chapter titled “Objects of the Issue” beginning on page 95 of this Red Herring Prospectus |

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

Notes:

- (1) The Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- (2) The Issue has been approved by our Board pursuant to the resolutions passed at its meetings held on June 26, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on June 27, 2024 through shorter notice consent.
- (3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that: (a) not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders; (b) not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders; and (c) not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to bidders in the other category. Accordingly, we have allocated the Net Issue i.e., not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders; not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders and not more than 50% of the Net Issue to QIBs.

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

Our Company in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Issue Procedure*” beginning on page 256 of this Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

ANNEXURE – I: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

| Particulars | Annexure | For The Year Ended March 31, | | |
|--|----------|------------------------------|-----------------|-----------------|
| | | 2024 | 2023 | 2022 |
| EQUITY AND LIABILITIES | | | | |
| Shareholders' funds | | | | |
| (a) Share capital | V | 850.00 | 350.00 | 55.00 |
| (b) Reserves and surplus | VI | 371.98 | (37.79) | (79.64) |
| | | 1,221.98 | 312.21 | (24.64) |
| Non-Current liabilities | | | | |
| (a) Long-term Borrowings | VIIA | 187.09 | 181.53 | 219.73 |
| (b) Deferred tax liabilities (net) | XIII | 13.01 | 11.33 | 2.12 |
| (c) Long term provisions | VIII | 10.17 | 8.16 | 7.19 |
| | | 210.27 | 201.02 | 229.04 |
| Current liabilities | | | | |
| (a) Short term borrowings | VIIA | 911.21 | 811.12 | 757.84 |
| (b) Trade payables | IX | | | |
| Total outstanding dues of micro and small enterprises | | 149.84 | 9.05 | 88.90 |
| Total outstanding dues of creditors other than micro and small enterprises | | 220.87 | 235.62 | 134.27 |
| (c) Other current liabilities | X | 168.04 | 83.66 | 30.90 |
| (d) Short-term provisions | XI | 112.20 | 4.07 | 1.29 |
| | | 1,562.16 | 1,143.52 | 1,013.20 |
| TOTAL | | 2,994.41 | 1,656.75 | 1,217.60 |
| ASSETS | | | | |
| Non-current assets | | | | |
| (a) Property, plant and equipment | | 659.74 | 441.59 | 374.28 |
| (i) tangible | XII | 7.94 | 8.82 | 9.13 |
| (ii) intangible | | - | - | - |
| (iii) Capital WIP | | - | - | - |
| (b) Non-Current Investments | XV | 16.97 | 15.60 | 16.30 |
| (c) Deferred tax assets (net) | XIII | - | - | - |
| (d) Long-term loans and advances | XIV | 0.35 | 0.86 | 6.87 |
| | | 685.00 | 466.87 | 406.58 |
| Current assets | | | | |
| (a) Inventories | XVI | 1,158.06 | 699.43 | 459.84 |
| (b) Trade receivables | XVII | 832.21 | 326.90 | 262.83 |
| (c) Cash and bank balance | XVIII | 158.30 | 65.02 | 32.87 |
| (d) Short-term loans and advances | XIX | 45.50 | 55.13 | 17.00 |
| (e) Other Current Assets | XX | 115.34 | 43.40 | 38.48 |
| | | 2309.41 | 1,189.88 | 811.02 |
| TOTAL | | 2,994.41 | 1,656.75 | 1,217.60 |

ANNEXURE – II: STATEMENT OF PROFIT & LOSS, AS RESTATED

(₹ in Lakhs)

| Particulars | Annexure | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|----------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Income | | | | |
| Revenue from operations | XXI | 3,651.25 | 1,639.91 | 1,214.11 |
| Other income | XXII | 8.81 | 3.51 | 1.13 |
| TOTAL INCOME | | 3,660.06 | 1,643.42 | 1,215.24 |
| | | | | |
| Expenses | | | | |
| (a) Cost of Material Consumed | XXIII | 2,998.44 | 1,373.94 | 924.68 |
| (b) Purchase of stock-in-trade | | - | - | - |
| (c) Increase/Decrease in Stock in trade | XXIV | (335.88) | (188.70) | (27.00) |
| (d) Employee benefits expense | XXV | 103.09 | 63.06 | 48.10 |
| (e) Finance costs | XXVI | 140.29 | 144.06 | 146.16 |
| (f) Depreciation and amortisation expense | XII | 51.34 | 30.15 | 20.49 |
| (g) Other expenses | XXVII | 149.76 | 158.13 | 73.82 |
| TOTAL EXPENSES | | 3,107.04 | 1,580.64 | 1,186.25 |
| | | | | |
| Profit / (Loss) before tax | | 553.01 | 62.78 | 28.99 |
| | | | | |
| Tax expenses: | | | | |
| (a) Current tax expense | | 137.20 | 8.00 | - |
| (b) Earlier year Tax | | 0.84 | - | - |
| (c) Deferred tax expense / (benefit) | | 1.67 | 9.22 | 0.01 |
| Net tax expense/(benefit) | | 139.71 | 17.22 | 0.01 |
| | | | | |
| Preference Share Dividend | | 0.03 | - | - |
| | | | | |
| Profit / (Loss) for the year | | 413.27 | 45.56 | 28.98 |
| | | | | |
| Earnings per share (of Rs. 10 each) | | | | |
| (a) Basic & Diluted | | 11.74 | 1.30 | 5.27 |

ANNEXURE – III: STATEMENT OF CASH FLOW, AS RESTATED

(₹ in Lakhs)

| | Particulars | As March 2024 | at 31, 2023 | at March 31, 2022 |
|----------|---|-----------------|-----------------|-------------------|
| | | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| A | Cash flow from operating activities: | | | |
| | Net profit before tax | 553.01 | 62.78 | 28.99 |
| | Adjustments: | | | |
| | Depreciation & Amortisation | 51.34 | 30.15 | 20.49 |
| | Interest Income | (8.23) | (3.07) | (1.13) |
| | Finance cost | 140.29 | 144.06 | 146.16 |
| | Provision for Leave Encashment | 1.19 | 0.04 | 1.43 |
| | Provision for Gratuity | 2.16 | 1.21 | 2.03 |
| | | 186.75 | 172.39 | 168.97 |
| | Operating cash flow before working capital changes | 739.76 | 235.17 | 197.96 |
| | Movement in working capital | | | |
| | I. Adjustments for (Increase)/decrease in operating assets : | | | |
| | Trade receivables | (505.31) | (64.07) | 96.81 |
| | Inventories | (458.63) | (239.59) | (47.83) |
| | Short-term loans & advance | 9.63 | (38.13) | 0.53 |
| | Other Current Assets | (71.94) | (4.92) | (1.91) |
| | II. Adjustments for (Increase)/decrease in operating liabilities : | | | |
| | Trade payables | 126.04 | 21.50 | (111.90) |
| | Other current liabilities | 84.38 | 52.76 | (16.20) |
| | | (815.83) | (272.45) | (80.50) |
| | Cash generated from operations | (76.07) | (37.28) | 117.46 |
| | Net income taxes paid | (31.26) | (5.51) | (3.70) |
| | Net cash (used in) / provided by operating activities (A) | (107.33) | (42.79) | 113.76 |
| B | Cash flows from investing activities: | | | |
| | Purchase of fixed assets & including intangible assets | (272.13) | (100.85) | (5.20) |

| | | | | |
|----------|---|-----------------|----------------|-----------------|
| | Sales of fixed assets & including intangible assets | - | - | - |
| | Security Deposits paid | 0.51 | 6.01 | 0.39 |
| | Sales/(Purchase) of non-current investments | (1.37) | 0.70 | 0.01 |
| | Interest Received | 8.23 | 3.07 | 1.13 |
| | Net cash provided by / (used in) investing activities (B) | (264.76) | (91.07) | (3.66) |
| | | | | |
| C | Cash flows from Financing activities: | | | |
| | Proceeds from Long Term Borrowings | 5.57 | (38.22) | (4.16) |
| | Issuance of Share Capital | 500.00 | 295.00 | - |
| | Proceeds from/(Repayment) of Short Term Borrowings | 100.09 | 53.28 | 21.97 |
| | Interest paid | (140.29) | (144.06) | (146.16) |
| | Net cash flow from/ (used in) financing activities (C) | 465.37 | 166.00 | (128.34) |
| | | | | |
| | Net increase / (decrease) in cash & cash equivalents (A+B+C) | 93.28 | 32.14 | (18.24) |
| | Cash & cash equivalents as at the beginning of the year | 65.02 | 32.88 | 51.12 |
| | Cash & cash equivalents as at the end of the year | 158.30 | 65.02 | 32.88 |
| | | | | |
| | Notes to Cash Flow Statement | | | |
| 1 | Component of cash and cash equivalent: | | | |
| | - Cash in hand | 22.31 | 25.23 | 16.79 |
| | - Balance with Bank | 135.99 | 39.79 | 16.09 |
| | | 158.30 | 65.02 | 32.88 |

GENERAL INFORMATION

REGISTERED OFFICE OF OUR COMPANY

Rappid Valves (India) Limited

Genesis Industrial Complex, Plot No. 30, Village Kolgaon,
Palghar (East), Thane, Maharashtra – 401404, India.

Tel No.: +91 9321463550

Email: investors@rapidvalves.net

Website: <https://www.rappidvalves.in/>

Corporate Identity Number: U74999MH2002PLC135992

Registration Number: 135992

For further details and details of changes in the registered office of our company, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page 179 of this Red Herring Prospectus.

CORPORATE OFFICE

NA

REGISTRAR OF COMPANIES

Registrar of Companies, Mumbai

Ministry of Corporate Affairs,
5th Floor, 100, Everest Building,
Netaji Subhash Road, Marine Drive
Mumbai - 400 002, Maharashtra, India

Tel No.: 022 - 2281 2627

Fax.: 022 - 2281 1977

Email: roc.mumbai@mca.gov.in

Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

NSE Emerge

National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1,
G Block Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051,
Maharashtra, India

Tel No: 022 – 2659 8100 / 8114

Website: www.nseindia.com

BOARD OF DIRECTORS

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

| Name | Designation | DIN | Residential Address |
|-----------------------------|------------------------------------|----------|---|
| Mr. Gaurav Vijay Dalal | Chairman & Managing Director | 00494466 | B-1/41, Andheri Panchavati Chs Ltd, C D Barfiwala Marg, Irla Masjid, Andheri West, Mumbai, Maharashtra – 400058, India. |
| Ms. Lohiya Padma Madhusudan | Non-Executive Director | 10699590 | Sai Laurel Park, Flat No. B-603, SR No. 47/1, Near Krushna Chowk, Dnyanesh Park, Lane No. 4 Pimple Gurav, Pune – 411061, Maharashtra, India |
| Mr. Dinesh Gopal Mundada | Non-Executive Independent Director | 07274519 | Flat No 403, Fortune House, Baaner, Pune City, N.i.a., Pune, Maharashtra - 411045, India. |

| Name | Designation | DIN | Residential Address |
|---------------------|------------------------------------|----------|--|
| Mr. Dayaram Paliwal | Non-Executive Independent Director | 03060803 | E-05 Shree Laxmi Narayan, Jesal Park, Vijay Bank, Bhayandar East, Thane, Maharashtra – 401105, India |

For detailed profile of our Board of Directors, please see chapter titled “*Our Management*” beginning on page 183 of this Red Herring Prospectus.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Nidhi Krutik Shah is our Company Secretary and Compliance Officer. Her contact details are as follows;

Ms. Nidhi Krutik Shah

Genesis Industrial Complex, Plot No. 30, Village Kolgaon, Palghar (East), Thane, Maharashtra – 401404, India.

Tel No.: +91 9321463550

Email: investors@rapidvalves.net

Website: <https://www.rapidvalves.in/>

Investor grievances:

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

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

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

BOOK RUNNING LEAD MANAGER

Shreni Shares Limited

(Formerly Known as Shreni Shares Private Limited)

No. 217, Hive 67 Icon, Poisar Gymkhana Road, Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall, Kandivali West, Mumbai – 400067, Maharashtra, India.

Tel No: 022 - 2089 7022

Email: shrenishares@gmail.com

Website: www.shreni.in

Investor Grievance E-mail: info@shreni.in

Contact Person: Ms. Tanya Goyal

SEBI Registration No.: INM000012759

REGISTRAR TO THE ISSUE

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra – 400083, India

Tel No: +91 8108114949
Email: rappid.smeipo@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance E-mail: rappidvalves.smeipo@Linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

LEGAL ADVISOR TO THE ISSUE

Asha Agarwal & Associates
118, Shila Vihar, Gokulpura,
Kalwar Road, Jhotwara,
Jaipur – 302 012, Rajasthan, India
Tel No: +91 99509 33137
Email: ashaagarwalassociates@gmail.com
Contact Person: Ms. Nisha Agarwal

BANKERS TO THE COMPANY

Vasai Vikas Sahakari Bank Limited
Solitaire Castle, Near Bus Depot, Opp. G. G. College,
Vasai-West, Tal Dist, Palghar 401 201.
Tel No.: 9422375931/7719946363/7719956363
E-mail: vsb@vasaivikasbank.co.in
Website: www.vasaivikasbank.com
Contact Person: Mr. Vivek G. Sankhe

STATUTORY AUDITOR OF OUR COMPANY

Kava & Associates
A-402, Suashish IT Park, Dattapada Road,
Borivali East, Mumbai – 400066
Tel No.: +91 9022027253
E-mail: vivek@kavaassociates.com
Contact Person: Mr. Vivek Jalan
Firm Registration No.: 145721W
Membership No.: 123756

PEER REVIEW AUDITORS OF OUR COMPANY

M/s. Vinay Bhushan & Associates,
726, 7th Floor, D- Wing,
Neelkanth Business Park,
Near Bus Depot, Vidyavihar (West), Mumbai- 400086
Maharashtra, India
Tel No.: +91 9769134554
Email: info@vbaconsult.com
Contact Person: CA. Vinay Bhushan
Firm Registration No.: 130529W
Peer Review No: 015503

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

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor, Building No. 21,
59 Infinity Park, Off Western Express Highway,
General AK Vaidya Marg, Malad (East),
Mumbai – 400 097, Maharashtra, India
Tel: 022 66056603
Contact Person: Mr. Siddhesh Shirodkar
Email: cmsipo@kotak.com

Website: www.kotak.com

SEBI registration number: INBI00000927

CIN: L65110MH1985PLC038137

SYNDICATE MEMBER

Shreni Shares Limited

(Formerly Known as Shreni Shares Private Limited)

No. 217, Hive 67 Icon, Poisar Gymkhana Road,
Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall,
Kandivali West, Mumbai – 400067, Maharashtra, India.

Tel No: 022 - 2089 7022

Email: shrenisharespvtltd@yahoo.in

Website: www.shreni.in

Contact Person: Mr. Hitesh Punjani

SEBI Registration No.: INZ000268538

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

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

SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)

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

SCSBS AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM

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

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

SYNDICATE SCSB BRANCHES

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

REGISTERED BROKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS (“RTA”)

The list of the RTAs eligible to accept ASBA Forms (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchange at <https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures>, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchange at <https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures>, as updated from time to time.

CREDIT RATING

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

IPO GRADING

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

DEBENTURE TRUSTEES

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

MONITORING AGENCY

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

FILING OF THE RED HERRING PROSPECTUS

The Red Herring Prospectus shall be filed on NSE Emerge situated at National Stock Exchange of India Limited, Exchange Plaza, Plot no. C/1, G Block Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra, India.

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

A copy of the Red Herring Prospectus along with the material contracts and documents referred elsewhere in the Red Herring Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies Mumbai situated at 100, Everest, Marine Drive, Mumbai- 400 002 Maharashtra, India at least (3) three working days prior from the date of opening of the Issue.

APPRAISING ENTITY

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

TYPE OF ISSUE

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

GREEN SHOE OPTION

No green shoe option is contemplated under the Issue.

EXPERTS TO THE ISSUE

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

Our Company has received written consent from Peer Reviewed Auditor namely, M/s Vinay Bhusan & Associates, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated July 11, 2024 and the Statement of Possible Tax Benefits dated July 11, 2024 issued by them and included in this Red Herring Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

CHANGES IN AUDITORS

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

| Name of Auditor | Date of Appointment | Date of Resignation | Reason for Change |
|---|---------------------|---------------------|-------------------------------------|
| M/s. Kalantri Assawa and Associates Address: 335, 3rd Floor, Bluerose Industrial Estate, Next to Metro Mall, Borivali East, Mumbai, Maharashtra 400066 | December 30, 2020 | September 05, 2022 | Resignation due to personal reasons |
| M/s. Vijay Bhardwaj & Co. Chartered Accountants Address: 217, Andheri Universal Industrial Estate, Near Wadia School, Azad Nagar, Andheri west, Mumbai, Maharashtra 400058 | September 23, 2022 | October 01, 2023 | Resignation due to personal reasons |
| M/s. Kava & Associates Chartered Accountants Address: Unit no 402, A Wing Suashish IT Park, Opp. Tata Steel, Borivali East, Off W.E.H, Mumbai, Maharashtra 400066 | October 01, 2023 | - | - |

BOOK BUILDING PROCESS

Book building, in the context of the Issue, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus, the Bid Cum Application Forms and the Revision Forms, if any, within the Price Band and the minimum Bid Lot, which will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Janasatta, all editions of the Marathi daily newspaper, Pratahakar, (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their respective website. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager, after the Bid/ Issue Closing Date. For details, see “*Issue Procedure*” beginning on page 256 of this Red Herring Prospectus.

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

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

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

For further details, see “Terms of the Issue”, “Issue Structure” and “Issue Procedure” beginning on pages 242, 251 and 256 of this Red Herring Prospectus, respectively.

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

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

UNDERWRITING AGREEMENT

This Issue is 100% Underwritten by Shreni Shares Limited (Formerly Known as Shreni Shares Private Limited) in the capacity of Underwriter to the Issue. The Underwriting agreement is dated September 13, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being issued through this issue:

(₹ in Lakhs)

| Details of the Underwriter | No. of Equity Shares Underwritten* | Amount Underwritten | % of total Issue size underwritten |
|---|------------------------------------|---------------------|------------------------------------|
| Shreni Shares Limited (Formerly Known as Shreni Shares Private Limited) Office No. 217, Hive 67 Icon, Poisar Gymkhana Road Lokmanya Tilak Nagar, Poisar, Near Raghuleela Mall, Kandivali West, Mumbai - 400067, Maharashtra, India Tel No: 022 - 2089 7022 Email: shrenishares@gmail.com Website: www.shreni.in Investor Grievance E-mail: info@shreni.in Contact Person: Ms. Priyal Ganatra SEBI Registration No.: INM000012759 | Up to 13,69,800* | [•] | 100% |

**Includes up to 69,600 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

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

MARKET MAKER

Rikhav Securities Limited

B/501-502, O2 Commercial Building,
Asha Nagar, Mulund (W),
Mumbai – 400080, Maharashtra, India

Tel No: 022-69078200/300

Email: info@rikhav.net

Website: www.rikhav.net

Contact Person: Mr. Hitesh H Lakhani

SEBI Registration No.: INZ000157737

DETAILS OF THE MARKET MAKING AGREEMENT

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated September 13, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this issue.

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

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1.00 Lakh shall be allowed to Issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per share the minimum application lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by NSE.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price

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

7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
8. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE from time to time.
9. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by them.
10. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
11. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE EMERGE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/ fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
13. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
14. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
15. In case of termination of the abovementioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further, the Company reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.
16. **Risk containment measures and monitoring for Market Maker:** NSE will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
17. **Punitive Action in case of default by Market Maker:** NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
18. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹250 Crores, the applicable price bands for the first day shall be:

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

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

19. The following spread will be applicable on the NSE Emerge:

| Sr. No. | Market Price Slab (in ₹) | Proposed spread (in % to sale price) |
|---------|--------------------------|--------------------------------------|
| 1. | Up to 50 | 9 |
| 2. | 50 to 75 | 8 |
| 3. | 75 to 100 | 6 |
| 4. | Above 100 | 5 |

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

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

21. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ NSE from time to time.
22. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

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

(₹ in lakhs except share data)

| Sr. No. | Particulars | Aggregate Value at Face Value | Aggregate Value at Issue Price* |
|-----------|---|-------------------------------|---------------------------------|
| A. | Authorized Share Capital (1) | | |
| | 88,30,000 Equity Shares of face value of ₹10/- each | 883.00 | - |
| B. | Issued, Subscribed and Paid-Up Equity Capital before the Issue | | |
| | 38,22,184 Equity Shares of face value of ₹10/- each | 382.21 | - |
| C. | Present Issue in Terms of this Red Herring Prospectus | | |
| | Issue of up to 13,69,800 Equity Shares of face value of ₹10/- each aggregating up to ₹[●] Lakhs (1)(2) | Up to 136.98 | [●] |
| | of which | | |
| | Fresh Issue of up to 13,69,800 Equity Shares of face value of ₹10/- each aggregating up to ₹[●] Lakhs | Up to 136.98 | [●] |
| | Which Includes: | | |
| | Up to 69,600 Equity Shares of face value of ₹10/- each at a price of ₹ [●] /- per Equity Share reserved as Market Maker Portion | [●] | [●] |
| | Net issue to Public of Up to 13,00,200 Equity Shares of ₹10/- each at a price of ₹ [●] /- per Equity Share to the Public | [●] | [●] |
| | Of Which | | |
| | At least 4,55,400 Equity Shares aggregating up to Rs. [●] Lakhs will be available for allocation to Retail Individual Investors | [●] | [●] |
| | At least 1,95,600 Equity Shares aggregating up to Rs. [●] Lakhs will be available for allocation to Non-Institutional Investors | [●] | [●] |
| | Not more than 6,49,200 Equity Shares aggregating up to Rs. [●] Lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. Of which shall be allocated to mutual funds | [●] | [●] |
| D. | Issued, Subscribed and Paid-Up Capital After the Issue* | | |
| | Up to 51,91,984 Equity Shares of face value of ₹10/- each | Up to 519.19 | - |
| E. | Securities Premium Account | | |
| | Before the Issue | Nil | |
| | After the Issue | [●] | |

* To be included upon finalisation of Issue Price.

- (1) 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 179.
- (2) The Issue has been authorized by our Board pursuant to resolutions passed at its meetings held on June 26, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on June 27, 2024 through shorter notice consent.

CLASS OF SHARES

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

NOTES TO THE CAPITAL STRUCTURE**1. Changes in Authorized Share Capital**

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

| Sr. No. | Particulars | Cumulative No. of Equity Shares | Face Value of Equity Share | Cumulative Authorized Share Capital (₹ in lakhs) | Date of Meeting | Whether AGM/ EGM |
|---------|---|--|----------------------------|--|--------------------|------------------|
| 1. | On incorporation | 50,000 | 10/- | 5.00 | On incorporation | N.A. |
| 2. | Increased from ₹5.00 Lakhs to ₹40.00 Lakhs | 4,00,000 | 10/- | 40.00 | September 23, 2006 | EGM |
| 3. | Increased from ₹40.00 Lakhs to ₹55.00 Lakhs | 5,50,000 | 10/- | 55.00 | March 30, 2012 | EGM |
| 4. | Increased from ₹55.00 Lakhs to ₹350.00 Lakhs | 35,00,000 | 10/- | 350.00 | August 01, 2022 | EGM |
| 5. | Increased from ₹350.00 Lakhs to ₹375.00 Lakhs | 37,50,000 | 10/- | 375.00 | September 04, 2023 | EGM |
| 6. | Increased from ₹375.00 Lakhs to ₹873.00 Lakhs | 37,50,000 Equity shares of face value ₹10 each and 4,98,000 Preference shares of face value of ₹100 each | 10/- | 873.00 | September 14, 2023 | EGM |
| 7. | Increased from ₹873.00 Lakhs to ₹883.00 Lakhs | 38,50,000 Equity shares of face value ₹10 each and 4,98,000 Preference shares of face value of ₹100 each | 10/- | 883.00 | May 02, 2024 | EGM |
| 8. | Reclassification of Authorized Capital | reclassified Authorized Share Capital from ₹883.00 Lakhs comprising of 38,50,000 Equity shares of face value | 10/- | 883.00 | July 10, 2024 | EGM |

| | | | | | | |
|--|--|---|--|--|--|--|
| | | ₹10 each and 4,98,000 Preference shares of face value of ₹100 each to ₹883.00 Lakhs divided into 88,30,000 Equity Shares of ₹10/- | | | | |
|--|--|---|--|--|--|--|

2. Equity Share Capital History of our Company

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

| Date of Allotment | No. of Equity Shares allotted | Face Value (₹) | Issue Price (₹) | Nature of Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Paid-Up Equity Shares Capital (₹) | Cumulative Share Premium (₹) |
|--------------------|-------------------------------|----------------|-----------------|-------------------------|---|---------------------------------|--|------------------------------|
| Upon Incorporation | 10,000 | 10/- | 10/- | Cash | Subscription to Memorandum of Association (i) | 10,000 | 100,000 | Nil |
| March 21, 2005 | 500 | 10/- | 10/- | Cash | Right Issue of Shares(ii) | 10,500 | 1,05,000 | Nil |
| November 17, 2005 | 39,500 | 10/- | 10/- | Cash | Further Issue of Shares(iii) | 50,000 | 5,00,000 | Nil |
| December 15, 2006 | 3,50,000 | 10/- | 10/- | Cash | Rights Issue of Shares(iv) | 4,00,000 | 40,00,000 | Nil |
| February 22, 2014 | 1,50,000 | 10/- | 10/- | Cash | Rights Issue of Shares (v) | 5,50,000 | 55,00,000 | Nil |
| September 22, 2022 | 1,45,000 | 10/- | 10/- | Cash | Rights Issue of Shares (vi) | 6,95,000 | 69,50,000 | Nil |
| October 10, 2022 | 3,00,000 | 10/- | 10/- | Cash | Rights Issue of Shares (vii) | 9,95,000 | 99,50,000 | Nil |
| October 13, 2022 | 3,50,000 | 10/- | 10/- | Cash | Preferential Issue of Shares (viii) | 13,45,000 | 1,34,50,000 | Nil |
| November 09, 2022 | 2,00,000 | 10/- | 10/- | Cash | Rights Issue of Shares (ix) | 15,45,000 | 1,54,50,000 | Nil |
| November | 80,000 | 10/- | 10/- | Cash | Rights Issue of Shares (x) | 16,25,000 | 1,62,50,000 | Nil |

| Date of Allotment | No. of Equity Shares allotted | Face Value (₹) | Issue Price (₹) | Nature of Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Paid-Up Equity Shares Capital (₹) | Cumulative Share Premium (₹) |
|--|-------------------------------|----------------|-----------------|-------------------------|---|---------------------------------|--|------------------------------|
| 14, 2022 | | | | | | | | |
| December 03, 2022 | 6,60,000 | 10/- | 10/- | Cash | Rights Issue of Shares (xi) | 22,85,000 | 2,28,50,000 | Nil |
| December 20, 2022 | 7,00,000 | 10/- | 10/- | Cash | Rights Issue of Shares (xii) | 29,85,000 | 2,98,50,000 | Nil |
| February 04, 2023 | 5,15,000 | 10/- | 10/- | Cash | Rights Issue of Shares (xiii) | 35,00,000 | 3,50,00,000 | Nil |
| Pursuant to Shareholders Resolution dated October 14, 2023 Company has issued 4,98,000 Optionally Convertible Preference Shares of face value of ₹ 100/- each. | | | | | | | | |
| October 20, 2023 | 20,000 | 10/- | 10/- | Cash | Preferential Issue of Shares (xv) | 35,20,000 | 3,52,00,000 | Nil |
| July 10, 2024 | 3,02,184 | 10/- | 164.80 | Other than cash | Conversion of 4,98,000 Optionally Convertible Preference Shares of Face Value of Rs. 100/- each into Equity Shares by way of preferential allotment | 38,22,184 | 3,82,21,840 | 4,67,78,083.20 |

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

| Sr No | Name | No of Equity Shares |
|-------|------------------------|---------------------|
| 1. | Mr. Gaurav Vijay Dalal | 5,000 |
| 2. | Ms. Usha Vijay Dalal | 5,000 |
| | Total | 10,000 |

(ii) Rights Issue of 500 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received/ by Renunciation | Lapse of Equity Shares |
|-------|------------------------|-----------------------|-------------------------------------|------------------------------|---|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 500 | - | - | - | 500 |

| | | | | | | |
|----|------------------------|--------------|------------|------------|------------|------------|
| 2. | Ms. Usha Vijay Dalal | 500 | (500) | - | - | - |
| 3. | Mr. Vijay Laldas Dalal | - | 500 | 500 | 500 | - |
| | Total | 1,000 | 500 | 500 | 500 | 500 |

(iii) Rights Issue of 39,500 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 2,00,000 | 19,500 | 19,500 | - | 1,80,500 |
| 2. | Ms. Usha Vijay Dalal | 2,00,000 | - | - | - | 2,00,000 |
| 3. | Mr. Vijay Laldas Dalal | 20,000 | 20,000 | 20,000 | - | - |
| | Total | 4,20,000 | 39,500 | 39,500 | - | 3,80,500 |

(iv) Rights Issue of 3,50,000 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|--------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 2,45,000 | 85,500 (50,000) | 85,500 | | 1,09,500 |
| 2. | Ms. Usha Vijay Dalal | 50,000 | 45,000 | 45,000 | | 5,000 |
| 3. | Mr. Vijay Laldas Dalal | 2,05,000 | 1,19,500 (50,000) | 1,19,500 | | 35,500 |
| 4. | Mr. Chirag Pradeep Dalal | - | 50,000 | 50,000 | 50,000 | - |
| 5. | Mr. Pradeep Laldas Dalal | - | 50,000 | 50,000 | 50,000 | - |
| | Total | 5,00,000 | 3,50,000 | 3,50,000 | 1,00,000 | 1,50,000 |

(v) Rights Issue of 1,50,000 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|--------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 3,42,000 | - | - | - | 3,42,000 |
| 2. | Mr. Usha Vijay Dalal | 1,56,000 | 1,50,000 | 1,50,000 | - | 6,000 |
| 3. | Mr. Vijay Laldas Dalal | 4,32,300 | - | - | - | 4,32,300 |
| 4. | Mr. Chirag Pradeep Dalal | 1,19,100 | - | - | - | 1,19,100 |
| 5. | Mr. Vishal Parekh | 1,50,000 | - | - | - | 1,50,000 |

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|----------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 6. | Mr. Kunal Premchand Bhatia | 300 | - | - | - | 300 |
| 7. | Premchand Bhatia HUF | 300 | - | - | - | 300 |
| | Total | 12,00,000 | 1,50,000 | 1,50,000 | - | 10,50,000 |

(vi) Rights Issue of 1,45,000 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 1,37,500 | 1,08,750 | 1,08,750 | - | 28,750 |
| 2. | Mr. Vijay Laldas Dalal | 45,833 | 36,250 | 36,250 | - | 9,583 |
| | Total | 1,83,333 | 1,45,000 | 1,45,000 | - | 38,333 |

(vii) Rights Issue of 3,00,000 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 2,60,625 | 2,25,000 | 2,25,000 | - | 35,625 |
| 2. | Mr. Vijay Laldas Dalal | 86,875 | 75,000 | 75,000 | - | 11,875 |
| | Total | 3,47,500 | 3,00,000 | 3,00,000 | - | 47,500 |

(viii) Preferential Issue of 3,50,000 Equity Shares of face value of ₹10/- each at an issue price of ₹10/- each.

| Sr No | Name | No of Equity Shares |
|-------|---------------------|---------------------|
| 1. | Mr. Pradeep Jain | 52,500 |
| 2. | Ms. Kanchan Jain | 52,500 |
| 3. | Mr. Satish Kalantri | 52,500 |
| 4. | Ms. Khushi Kalantri | 52,500 |
| 5. | Pradeep Jain HUF | 70,000 |
| 6. | Satish Kalantri HUF | 70,000 |
| | Total | 3,50,000 |

(ix) Rights Issue of 2,00,000 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 1,55,400 | 1,50,000 | 1,50,000 | - | 5,400 |
| 2. | Mr. Vijay Laldas Dalal | 51,800 | 50,000 | 50,000 | - | 1,800 |
| 3. | Mr. Pradeep Jain | 10,920 | - | - | - | 10,920 |
| 4. | Ms. Kanchan Jain | 10,920 | - | - | - | 10,920 |
| 5. | Mr. Satish Kalantri | 10,920 | - | - | - | 10,920 |
| 6. | Ms. Khushi Kalantri | 10,920 | - | - | - | 10,920 |
| 7. | Pradeep Jain HUF | 10,920 | - | - | - | 10,920 |
| 8. | Satish Kalantri HUF | 10,920 | - | - | - | 10,920 |
| | Total | 2,72,720 | 2,00,000 | 2,00,000 | - | 72,720 |

(x) Rights Issue of 80,000 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 63,811 | 60,000 | 60,000 | - | 3,811 |
| 2. | Mr. Vijay Laldas Dalal | 21,270 | 20,000 | 20,000 | - | 1,270 |
| 3. | Mr. Pradeep Jain | 3,738 | - | - | - | 3,738 |
| 4. | Ms. Kanchan Jain | 3,738 | - | - | - | 3,738 |
| 5. | Mr. Satish Kalantri | 3,738 | - | - | - | 3,738 |
| 6. | Ms. Khushi Kalantri | 3,738 | - | - | - | 3,738 |
| 7. | Pradeep Jain HUF | 4,984 | - | - | - | 4,984 |
| 8. | Satish Kalantri HUF | 4,984 | - | - | - | 4,984 |
| | Total | 1,10,000 | 80,000 | 80,000 | - | 30,000 |

(xi) Rights Issue of 6,60,000 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 5,00,192 | 4,95,000 | 4,95,000 | - | 5,192 |
| 2. | Mr. Vijay Laldas Dalal | 1,66,730 | 1,65,000 | 1,65,000 | - | 1,730 |
| 3. | Mr. Pradeep Jain | 27,462 | - | - | - | 27,462 |
| 4. | Ms. Kanchan Jain | 27,462 | - | - | - | 27,462 |
| 5. | Mr. Satish Kalantri | 27,462 | - | - | - | 27,462 |
| 6. | Ms. Khushi Kalantri | 27,462 | - | - | - | 27,462 |
| 7. | Pradeep Jain HUF | 36,615 | - | - | - | 36,615 |

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|---------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 8. | Satish Kalantri HUF | 36,615 | - | - | - | 36,615 |
| | Total | 8,50,000 | 6,60,000 | 6,60,000 | - | 1,90,000 |

(xii) Rights Issue of 7,00,000 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 5,29,616 | 5,25,000 | 5,25,000 | - | 4,616 |
| 2. | Mr. Vijay Laldas Dalal | 1,76,538 | 1,75,000 | 1,75,000 | - | 1,538 |
| 3. | Mr. Pradeep Jain | 29,077 | - | - | - | 29,077 |
| 4. | Ms. Kanchan Jain | 29,077 | - | - | - | 29,077 |
| 5. | Mr. Satish Kalantri | 29,077 | - | - | - | 29,077 |
| 6. | Ms. Khushi Kalantri | 29,077 | - | - | - | 29,077 |
| 7. | Pradeep Jain HUF | 38,769 | - | - | - | 38,769 |
| 8. | Satish Kalantri HUF | 38,769 | - | - | - | 38,769 |
| | Total | 9,00,000 | 7,00,000 | 7,00,000 | - | 2,00,000 |

(xiii) Rights Issue of 5,15,000 Equity Shares of face value of ₹10/- each, the details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

| Sr No | Name | Equity Shares Offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Shares Subscribed/ Received by Renunciation | Lapse of Equity Shares |
|-------|------------------------|-----------------------|-------------------------------------|------------------------------|--|------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 3,95,250 | 3,86,250 | 3,86,250 | - | 9,000 |
| 2. | Mr. Vijay Laldas Dalal | 1,31,750 | 1,28,750 | 1,28,750 | - | 3,000 |
| 3. | Mr. Pradeep Jain | 10,500 | - | - | - | 10,500 |
| 4. | Ms. Kanchan Jain | 10,500 | - | - | - | 10,500 |
| 5. | Mr. Satish Kalantri | 10,500 | - | - | - | 10,500 |
| 6. | Ms. Khushi Kalantri | 10,500 | - | - | - | 10,500 |
| 7. | Pradeep Jain HUF | 14,000 | - | - | - | 14,000 |
| 8. | Satish Kalantri HUF | 14,000 | - | - | - | 14,000 |
| | Total | 5,97,000 | 5,15,000 | 5,15,000 | - | 82,000 |

(xiv) Preferential allotment of 4,98,000 Optionally Convertible Preference Shares of face value of ₹100/- each.

| Sr No | Name | No of Equity Shares |
|-------|--|---------------------|
| 1. | Maharashtra Defence and Aerospace Venture Fund (MDAVF) | 4,98,000 |
| | Total | 4,98,000 |

(xv) Preferential issue of 20,000 Equity Shares of face value of ₹10/- each at an issue price of ₹10/-.

| Sr No | Name | No of Equity Shares |
|-------|--|---------------------|
| 1. | Maharashtra Defence and Aerospace Venture Fund (MDAVF) | 20,000 |
| | Total | 20,000 |

(xvi) Preferential issue of 3,02,184 Equity Shares of face value of ₹10/- each at an issue price of ₹164.80/- by way of conversion of Preference Shares into Equity Shares.

| Sr No | Name | No of Equity Shares |
|-------|------|---------------------|
|-------|------|---------------------|

| | | |
|----|--|-----------------|
| 1. | Maharashtra Defence and Aerospace Venture Fund (MDAVF) | 3,02,184 |
| | Total | 3,02,184 |

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

| Date of Allotment | No. of Equity Shares allotted | Face Value (₹) | Issue Price (₹) | Nature of Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Paid-Up Equity Shares Capital (₹) |
|-------------------|-------------------------------|----------------|-----------------|-------------------------|---|---------------------------------|--|
| July 10, 2024 | 3,02,184 | 10/- | 164.80 | Other than cash | Conversion of 4,98,000 Optionally Convertible Preference Shares of Face Value of Rs. 100/- each into Equity Shares by way of preferential allotment | 38,22,184 | 3,82,21,840 |

4. No equity shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and sections 230-234 of the Companies Act, 2013.

5. Employee Stock Option Scheme

Rappid Valves - Employee Stock Option Plan, 2023 Our Board of Directors approved the Rappid Valves - Employees Stock Option Plan 2022 (the "ESOP 2023") pursuant to a resolution dated October 12, 2023 and our Shareholders approved the ESOP 2023 pursuant to a resolution dated December 04, 2023. Pursuant to the ESOP 2023, options to acquire Equity Shares may be granted to eligible "employees" (as defined in the ESOP 2022). The ESOP 2023 contemplates that the total number of Equity Shares to be issued pursuant to exercise of options under the ESOP 2023 shall not exceed 1,84,211 Equity Shares. ESOP 2023 shall be compliant with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

6. We have re-valued our land in the past, for further details, please see chapter titled "Restated Financial Statements" in this Red Herring Prospectus, however we have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
7. Except as disclosed below, we have not issued any Equity Shares at price below Issue price within last one year from the date of this Red Herring Prospectus:

| Date of Allotment | No. of Equity Shares allotted | Face Value (₹) | Issue Price (₹) | Nature of Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Paid-Up Equity Shares Capital (₹) | Cumulative Share Premium (₹) |
|--|-------------------------------|----------------|-----------------|-------------------------|-----------------------------------|---------------------------------|--|------------------------------|
| Pursuant to Shareholders Resolution dated October 14, 2023 Company has issued 4,98,000 Optionally Convertible Preference Shares of face value of ₹ 100/- each. | | | | | | | | |
| October 20, 2023 | 20,000 | 10/- | 10/- | Cash | Preferential Issue of Shares (xv) | 35,20,000 | 3,52,00,000 | Nil |

| Date of Allotment | No. of Equity Shares allotted | Face Value (₹) | Issue Price (₹) | Nature of Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Paid-Up Equity Shares Capital (₹) | Cumulative Share Premium (₹) |
|-------------------|-------------------------------|----------------|-----------------|-------------------------|---|---------------------------------|--|------------------------------|
| July 10, 2024 | 3,02,184 | 10/- | 164.80 | Other than cash | Conversion of Optionally Convertible Preference Shares of Face Value of Rs. 100/- each into Equity Shares | 38,22,184 | 3,82,21,840 | 4,67,78,083.20 |

8. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as on the date of this Red Herring Prospectus.

| Category (I) | Category of shareholder (II) | Nos. of shareholders (III) | No. of fully paid-up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | No. of Voting Rights | | Total as a % of (A+B+C) | No. of Underlying Outstanding convertible securities | Shareholding as a % assuming full convertible securities | No (a) | As a % of total Shares held | No (a) | As a % of total Shares held | Number of Locked in shares (XII) | Number of Shares pledged or otherwise encumbered (XIII) | Number of equity shares held in dematerialized form (XIV)* |
|--------------|------------------------------|----------------------------|--|--|---|---|---|----------------------|----------------------|-------------------------|--|--|--------|-----------------------------|--------|-----------------------------|----------------------------------|---|--|
| | | | | | | | | Class | Total | | | | | | | | | | |
| A | Promoters & Promoter group | 2 | 26,54,536 | - | - | 26,54,536 | 69.46 | Class-Equity | No. of Voting Rights | 69.46 | - | - | - | - | - | - | - | - | 26,54,536 |
| | | | | | | | | | | | | | | | | | | | |

| Category (I) | Category of shareholder (II) | Nos. of shareholders (III) | No. of fully paid-up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | No. of Voting Rights held in each class of securities (IX) | | | Total as a % of (A+B+C) | No. of Underlying Outstanding convertible securities | Shareholding as a % assuming full convertible securities | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV)* | |
|--------------|--------------------------------|----------------------------|--|--|---|---|---|--|----------|------------------|-------------------------|--|--|----------------------------------|-----------------------------|---|-----------------------------|--|------------------|
| | | | | | | | | Class-Equity | Class | Total | | | | No (a) | As a % of total Shares held | No (a) | As a % of total Shares held | | |
| B | Public | 378 | 11,67,648 | - | - | 11,67,648 | 30.54 | 11,67,648 | - | 11,67,648 | 30.54 | - | - | - | - | - | - | - | 11,67,648 |
| C | Non - Promoters Non - Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| C1 | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| C2 | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 394 | 38,22,184 | - | - | 38,22,184 | 100 | 38,22,184 | - | 38,22,184 | 100 | - | - | - | - | - | - | - | 38,22,184 |

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

| Sr. No. | Name of the Shareholder | Number of Equity shares (Face value of ₹10/- each) | Percentage of the pre-issue Equity Share Capital (%) |
|---------|--|--|--|
| 1. | Mr. Gaurav Vijay Dalal | 24,67,036 | 64.55 |
| 2. | Maharashtra Defence and Aerospace Venture Fund (MDAVF) | 3,22,184 | 8.43 |
| 3. | Mr. Vijay Laldas Dalal | 1,87,500 | 4.91 |
| 4. | Ms. Neena Romil Ramgarhia | 58,334 | 1.52 |
| 5. | Mr. Raman Talwar | 58,333 | 1.53 |
| 6. | Mr. P Sandhya | 58,333 | 1.53 |
| 7. | Pradeep Jain HUF | 70,000 | 1.83 |
| 8. | Satish Kalantri HUF | 70,000 | 1.83 |
| 9. | Shripal V Vora HUF | 78,125 | 2.04 |
| 10. | Mr. Pradeep Jain | 52,500 | 1.37 |
| 11. | Mr. Satish Purushottam Kalantri | 52,500 | 1.37 |
| 12. | Ms. Khushi Satish Kalantri | 52,500 | 1.37 |
| 13. | Ms. Kanchan Pradeep Jain | 52,500 | 1.37 |
| | Total | 35,79,845 | 93.65 |

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

| Sr. No. | Name of the Shareholder | Number of Equity shares (Face value of ₹100/- each) | Percentage of then Equity Share Capital (%) |
|---------|-------------------------|---|---|
| 1. | Mr. Gaurav Vijay Dalal | 4,12,500 | 75.00 |
| 2. | Mr. Vijay Laldas Dalal | 1,37,500 | 25.00 |
| | Total | 5,50,000 | 100.00 |

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

| Sr. No. | Name of the Shareholder | Number of Equity shares | Percentage of then pre-Issue Equity Share Capital (%) |
|---------|---------------------------------|-------------------------|---|
| 1. | Mr. Gaurav Vijay Dalal | 23,62,500 | 67.50 |
| 2. | Mr. Vijay Laldas Dalal | 7,87,500 | 22.50 |
| 3. | Mr. Pradeep Jain | 52,500 | 1.50 |
| 4. | Ms. Kanchan Pradeep Jain | 52,500 | 1.50 |
| 5. | Mr. Satish Purushottam Kalantri | 52,500 | 1.50 |
| 6. | Ms. Khushi Satish Kalantri | 52,500 | 1.50 |
| 7. | Pradeep Jain HUF | 70,000 | 2.00 |
| 8. | Satish Kalantri HUF | 70,000 | 2.00 |
| | Total | 35,00,000 | 100.00 |

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

| Sr. No. | Name of the Shareholder | Number of Equity shares (Face value of ₹10/- each) | Percentage of the pre-issue Equity Share Capital (%) |
|---------|--|--|--|
| 1. | Mr. Gaurav Vijay Dalal | 24,67,036 | 64.55 |
| 2. | Maharashtra Defence and Aerospace Venture Fund (MDAVF) | 3,22,184 | 8.43 |

| | | | |
|-----|---------------------------------|------------------|--------------|
| 3. | Mr. Vijay Laldas Dalal | 1,87,500 | 4.91 |
| 4. | Ms. Neena Romil Ramgarhia | 58,334 | 1.52 |
| 5. | Mr. Raman Talwar | 58,333 | 1.53 |
| 6. | Mr. P Sandhya | 58,333 | 1.53 |
| 7. | Pradeep Jain HUF | 70,000 | 1.83 |
| 8. | Satish Kalantri HUF | 70,000 | 1.83 |
| 9. | Shripal V Vora HUF | 78,125 | 2.04 |
| 10. | Mr. Pradeep Jain | 52,500 | 1.37 |
| 11. | Mr. Satish Purushottam Kalantri | 52,500 | 1.37 |
| 12. | Ms. Khushi Satish Kalantri | 52,500 | 1.37 |
| 13. | Ms. Kanchan Pradeep Jain | 52,500 | 1.37 |
| | Total | 35,79,845 | 93.65 |

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

15. Shareholding of our Promoter

As on the date of this Red Herring Prospectus, our Promoter hold 64.55% of the pre- Issued, subscribed and paid-up Equity Share capital of our Company.

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

| Date of Allotment / Transfer | Nature of Issue / Transaction | Nature of Consideration | No. of Equity Shares | Cumulative No. of Equity Shares | F V (₹) | Acquisition / Transfer Price | % of Pre-Issue Equity Share Capital | % of Post Issue Equity Share Capital | Pledge |
|-------------------------------|--|-------------------------|----------------------|---------------------------------|---------|------------------------------|-------------------------------------|--------------------------------------|--------|
| Mr. Gaurav Vijay Dalal | | | | | | | | | |
| On Incorporation | Subscription to MOA | Cash | 5,000 | 5,000 | 10/- | 10/- | 0.13% | 0.10% | No |
| November 17, 2005 | Rights Issue | Cash | 19,500 | 24,500 | 10/- | 10/- | 0.51% | 0.37% | No |
| December 15, 2006 | Rights Issue | Cash | 85,500 | 1,10,000 | 10/- | 10/- | 2.24% | 1.65% | No |
| March 30, 2011 | Transfer from Mr. Chirag Pradeep Dalal | Other than cash | 4,000 | 1,14,000 | 10/- | - | 0.10% | 0.08% | No |
| January 13, 2021 | Transfer from Mr. Chirag Pradeep Dalal | Other than Cash | 39,700 | 1,53,900 | 10/- | - | 1.04% | 0.76% | No |

| Date of Allotment / Transfer | Nature of Issue / Transaction | Nature of Consideration | No. of Equity Shares | Cumulative No. of Equity Shares | F V (₹) | Acquisition / Transfer Price | % of Pre-Issue Equity Share Capital | % of Post Issue Equity Share Capital | Pledge |
|------------------------------|--|-------------------------|----------------------|---------------------------------|---------|------------------------------|-------------------------------------|--------------------------------------|--------|
| | Transfer from Mr. Kunal Premchand Bhatia | | 100 | | | | 0.00 % | 0.00 % | No |
| | Transfer from Premchand Bhatia HUF | | 100 | | | | 0.00 % | 0.00 % | No |
| March 15, 2022 | Transfer from Ms. Usha Vijay Dalal | Other than Cash | 2,02,000 | 4,12,500 | 10/- | - | 5.28 % | 3.89 % | No |
| | Transfer from Mr. Vijay Laldas Dalal | | 6,600 | | | | 0.17 % | 0.13 % | No |
| | Transfer from Ms. Mansi Gaurav Dalal | | 50,000 | | | | 1.31 % | 0.96 % | No |
| September 22, 2022 | Rights Issue | Cash | 1,08,750 | 5,21,250 | 10/- | 10/- | 2.85 % | 2.09 % | No |
| October 10, 2022 | Rights Issue | Cash | 2,25,000 | 7,46,250 | 10/- | 10/- | 5.89 % | 4.33 % | No |
| November 09, 2022 | Rights Issue | Cash | 1,50,000 | 8,96,250 | 10/- | 10/- | 3.92 % | 2.89 % | No |
| November 14, 2022 | Rights Issue | Cash | 60,000 | 9,56,250 | 10/- | 10/- | 1.57 % | 1.16 % | No |
| December 03, 2022 | Rights Issue | Cash | 4,95,000 | 14,51,250 | 10/- | 10/- | 12.95 % | 9.53 % | No |
| December 20, 2022 | Rights Issue | Cash | 5,25,000 | 19,76,250 | 10/- | 10/- | 13.74 % | 10.11 % | No |
| February 04, 2023 | Rights Issue | Cash | 3,86,250 | 23,62,500 | 10/- | 10/- | 10.11 % | 7.44 % | No |
| September 16, 2023 | Transfer to Ms. Neena Romil Ramgarhi a | Cash | (1,75,000) | 21,87,500 | 10/- | 10/- | 4.58 % | 3.37 % | No |
| June 21, 2024 | Transfer to Mr. Ashish Mandowara (HUF) | Cash | (18,750) | 21,18,210 | 10/- | 160/- | 0.49 % | 0.36 % | No |
| June 21, 2024 | Transfer to Mr. | Cash | (5,620) | 21,63,130 | 10/- | 178/- | 0.15 % | 0.11 % | No |

| Date of Allotment / Transfer | Nature of Issue / Transaction | Nature of Consideration | No. of Equity Shares | Cumulative No. of Equity Shares | FV (₹) | Acquisition / Transfer Price | % of Pre-Issue Equity Share Capital | % of Post Issue Equity Share Capital | Pledge |
|------------------------------|---|-------------------------|----------------------|---------------------------------|--------|------------------------------|-------------------------------------|--------------------------------------|--------|
| | Girish Jain | | | | | | | | |
| June 21, 2024 | Transfer to Mr. Ankit Jain | Cash | (6,250) | 21,56,880 | 10/- | 160/- | 0.16% | 0.12% | No |
| June 21, 2024 | Transfer to Mr. Umesh Kalantri | Cash | (6,250) | 21,50,630 | 10/- | 160/- | 0.16% | 0.12% | No |
| June 21, 2024 | Transfer to Mr. Kamlesh Bhattar | Cash | (6,250) | 21,44,380 | 10/- | 160/- | 0.16% | 0.12% | No |
| June 21, 2024 | Transfer to Mr. Satyapal Jain | Cash | (6,250) | 21,38,130 | 10/- | 160/- | 0.16% | 0.12% | No |
| June 21, 2024 | Transfer to Mr. Nitin Dharwal | Cash | (2,895) | 21,35,235 | 10/- | 173/- | 0.08% | 0.06% | No |
| June 21, 2024 | Transfer to Ms. Vinita Mundra | Cash | (5,785) | 21,29,450 | 10/- | 173/- | 0.15% | 0.11% | No |
| June 21, 2024 | Transfer to Mr. Amit Yadav | Cash | (5,620) | 21,23,830 | 10/- | 178/- | 0.15% | 0.11% | No |
| June 21, 2024 | Transfer to Mr. Rohan Lavsi | Cash | (5,620) | 21,18,210 | 10/- | 178/- | 0.15% | 0.11% | No |
| June 26, 2024 | Transfer to Iarrow Advisors Private Limited | Cash | (12,500) | 21,05,710 | 10/- | 160/- | 0.33% | 0.24% | No |
| June 26, 2024 | Transfer to Mr. Yogesh Chaudhary | Cash | (12,326) | 20,93,384 | 10/- | 160/- | 0.32% | 0.24% | No |
| June 26, 2024 | Transfer to Chempharma Private Limited | Cash | (9,190) | 20,84,194 | 10/- | 160/- | 0.24% | 0.18% | No |
| June 26, 2024 | Transfer to Mr. Gaurav Singh | Cash | (30,815) | 20,53,379 | 10/- | 160/- | 0.81% | 0.59% | No |

| Date of Allotment / Transfer | Nature of Issue / Transaction | Nature of Consideration | No. of Equity Shares | Cumulative No. of Equity Shares | FV (₹) | Acquisition / Transfer Price | % of Pre-Issue Equity Share Capital | % of Post Issue Equity Share Capital | Pledge |
|------------------------------|--------------------------------------|-------------------------|----------------------|---------------------------------|--------|------------------------------|-------------------------------------|--------------------------------------|--------|
| June 26, 2024 | Transfer to Mr. Sagar Doshi | Cash | (15,678) | 20,37,701 | 10/- | 160/- | 0.41% | 0.30% | No |
| June 26, 2024 | Transfer to Ms. Varsha Kalantri | Cash | (5,780) | 20,31,921 | 10/- | 173/- | 0.15% | 0.11% | No |
| June 26, 2024 | Transfer to Ms. Soumya Jain | Cash | (2,810) | 20,29,111 | 10/- | 178/- | 0.07% | 0.05% | No |
| June 26, 2024 | Transfer to Mr. Abhishek Shah | Cash | (14,056) | 20,15,055 | 10/- | 160/- | 0.37% | 0.27% | No |
| June 26, 2024 | Transfer to Mr. Mohit Jain | Cash | (12,326) | 20,02,729 | 10/- | 160/- | 0.32% | 0.24% | No |
| June 26, 2024 | Transfer to Mr. Hardik Vora | Cash | (9,190) | 19,93,539 | 10/- | 160/- | 0.24% | 0.18% | No |
| June 27, 2024 | Transfer to Bizdhan Solutions LLP | Cash | (5,780) | 19,87,759 | 10/- | 173/- | 0.15% | 0.11% | No |
| June 27, 2024 | Transfer to Mr. Antrisksh Modi | Cash | (12,326) | 19,75,433 | 10/- | 160/- | 0.32% | 0.24% | No |
| June 27, 2024 | Transfer to Shripal V Vora HUF | Cash | (78,125) | 18,97,308 | 10/- | 160/- | 2.04% | 1.50% | No |
| June 27, 2024 | Transfer to Mr. Pawan Jajoo | Cash | (5,620) | 18,91,688 | 10/- | 178/- | 0.15% | 0.11% | No |
| June 27, 2024 | Transfer to Ashok N Sons | Cash | (24,652) | 18,67,036 | 10/- | 160/- | 0.64% | 0.47% | No |
| June 28, 2024 | Transfer from Mr. Vijay Laldas Dalal | Gift | 6,00,000 | 24,67,036 | 10/- | - | 15.70% | 11.56% | No |
| | Total | | 24,67,036 | 24,67,036 | | | 64.55% | 47.52%* | |

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, our Promoter have not pledged any of the Equity Shares that they hold in our Company.

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

| Category of Promoters | Pre-Issue | | Post-Issue | |
|------------------------|------------------|------------------------|------------------|-------------------------|
| | No. of Shares | % of Pre-Issue Capital | No. of Shares | % of Post-Issue Capital |
| Promoters | | | | |
| Mr. Gaurav Vijay Dalal | 24,67,036 | 64.55 | 24,67,036 | 47.52% |
| Promoter group | | | | |
| Mr. Vijay Laldas Dalal | 1,87,500 | 4.91 | 1,87,500 | 3.61% |
| Total | 26,54,536 | 69.46 | 26,54,536 | 51.13% |

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

| Name | Designation | No. of Equity Shares held | % of pre-Issue paid up capital | % of post Issue paid up capital |
|------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------------|
| Mr. Gaurav Vijay Dalal | Chairman and Managing Director | 24,67,036 | 64.55 | 47.52% |

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

| Sr. No. | Name of Shareholder | Date of Transaction | Promoters/ Promoter group/ Director | Number of Equity Shares Subscribed to/ Acquired | Number of Equity Shares Sold | Subscribed/ Acquired/ Transferred | |
|---------|------------------------|---------------------|--|---|------------------------------|---|----------------------------------|
| 1. | Mr. Gaurav Vijay Dalal | June 21, 2024 | Chairman, Managing Director and Promoter | - | (18,750) | Transfer to Mr. Ashish Mandowara (HUF) | |
| 2. | | | | - | (5,620) | Transfer to Mr. Girish Jain | |
| 3. | | | | - | (6,250) | Transfer to Mr. Ankit Jain | |
| 4. | | | | - | (6,250) | Transfer to Mr. Umesh Kalantri | |
| 5. | | | | - | (6,250) | Transfer to Mr. Kamlesh Bhattar | |
| 6. | | | | - | (6,250) | Transfer to Mr. Satyapal Jain | |
| 7. | | | | - | (2,895) | Transfer to Mr. Nitin Dharwal | |
| 8. | | | | - | (5,785) | Transfer to Ms. Vinita Mundra | |
| 9. | | | | - | (5,620) | Transfer to Mr. Amit Yadav | |
| 10. | | | | - | (5,620) | Transfer to Mr. Rohan Lavsi | |
| 11. | | | | - | (12,500) | Transfer to Iarrow Advisors Private Limited | |
| 12. | | June 26, 2024 | | | - | (12,326) | Transfer to Mr. Yogesh Chaudhary |
| 13. | | | | | - | | |

| Sr. No. | Name of Shareholder | Date of Transaction | Promoters/ Promoter group/ Director | Number of Equity Shares Subscribed to/ Acquired | Number of Equity Shares Sold | Subscribed/ Acquired/ Transferred |
|---------|------------------------|---------------------|-------------------------------------|---|------------------------------|--|
| 14. | | | | - | (9,190) | Transfer to Chempharma Private Limited |
| 15. | | | | | (30,815) | Transfer to Mr. Gaurav Singh |
| 16. | | | | | (15,678) | Transfer to Mr. Sagar Doshi |
| 17. | | | | | (5,780) | Transfer to Ms. Varsha Kalantri |
| 18. | | | | - | (2,810) | Transfer to Ms. Soumya Jain |
| 19. | | | | - | (14,056) | Transfer to Mr. Abhishek Shah |
| 20. | | | | - | (12,326) | Transfer to Mr. Mohit Jain |
| 21. | | | | - | (9,190) | Transfer to Mr. Hardik Vora |
| 22. | | | | - | (5,780) | Transfer to Bizdhan Solutions LLP |
| 23. | | | | - | (12,326) | Transfer to Mr. Antrisksh Modi |
| 24. | | June 27, 2024 | | - | (78,125) | Transfer to Shripal V Vora HUF |
| 25. | | | | - | (5,620) | Transfer to Mr. Pawan Jajoo |
| 26. | | | | - | (24,652) | Transfer to Ashok N Sons |
| 27. | | June 28, 2024 | | 6,00,000 | - | Transfer from Mr. Vijay Laldas Dalal |
| 28. | Mr. Vijay Laldas Dalal | June 28, 2024 | Promoter Group | - | (6,00,000) | Transfer to Mr. Gaurav Vijay Dalal |

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

20. Promoters' Contribution and Lock-in details

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

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Red Herring Prospectus, our Promoter holds 24,67,036 Equity Shares constituting 47.52% of the Post Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

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

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

| Name of Promoter | Date of Allotment/Acquisition & when made fully paid up | No of Equity shares | No of Equity shares locked in | Face Value (in ₹) | Issue Price (in ₹) | Nature of Allotment | % Of Post-Issue Paid-up Capital | Lock-in Period |
|------------------------|---|---------------------|-------------------------------|-------------------|--------------------|---------------------|---------------------------------|----------------|
| Mr. Gaurav Vijay Dalal | February 04, 2023 | 3,86,250 | 3,86,250 | 10/- | 10/- | Rights Issue | 7.44% | 3 Years |
| | December 20, 2022 | 5,25,000 | 5,25,000 | 10/- | 10/- | Rights Issue | 10.11% | 3 Years |
| | December 03, 2022 | 4,95,000 | 1,88,750 | 10/- | 10/- | Rights Issue | 3.64% | 3 Years |
| Total | | 14,06,250 | 11,00,000 | | | | 21.19% | |

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

- Equity Shares acquired three years preceding the date of this Red Herring Prospectus for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoters' Contribution.
- The Equity Shares acquired during the year preceding the date of this Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being Issued to the public in this Issue is not part of the minimum promoter's contribution.
- The Equity Shares held by the Promoters and issued for minimum 20% Promoter's Contribution are not subject to any pledge or any other form of encumbrances.
- Specific written consent has been obtained from the Promoters for inclusion of 11,00,000 Equity Shares for ensuring lock-in of three years to the extent of minimum 20 % of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.
- The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI ICDR Regulations.
- We further confirm that our Promoters' Contribution of minimum 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India.

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

- Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue 27,22,184 Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

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

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

Inscription or recording of non-transferability

In terms of Regulation 241 of the SEBI ICDR Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock - in period

and in case such equity shares are dematerialized, the Company shall ensure that the lock - in is recorded by the Depository.

Pledge of Locked in Equity Shares

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

- (a) if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan;
- (b) if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

Transferability of Locked in Equity Shares

- (a) Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoters/Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
 - (b) Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
21. Neither the Company, nor its Promoters, Directors or the Book Running Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
 22. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful Applicants will be issued fully paid-up Equity Shares.
 23. As on the date of this Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the SEBI MB Regulations 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
 24. As on date of this Red Herring Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOPs till date. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 25. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on page 256 of this Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time.
 26. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

27. Subject to valid applications being received at or above the Issue Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
28. We have 39 (Thirty-Nine) Shareholders as on the date of filing of this Red Herring Prospectus.
29. The Equity Shares of our company are in the dematerialization form.
30. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
31. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this issue.
32. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Red Herring Prospectus and the issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
33. Our Promoters and Promoter Group will not participate in the Issue.

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

This Issue comprises of Fresh Issue of up to 13,69,800 Equity Shares by our Company aggregating to ₹ [●] Lakhs.

FRESH ISSUE

Requirement of Funds:

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

1. Funding the Capital expenditure for purchase of new Plant and Machineries and Software by our Company;
2. Expenditure for renovation of registered office and existing manufacturing unit;
3. Repayment/prepayment of all or certain of our borrowings availed of by our Company;
4. Pursuing inorganic growth initiatives through acquisitions; and
5. General corporate purposes.

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

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Issue.

In addition, our Company expects to receive the benefits of listing of Equity Shares on the NSE Emerge including enhancing our visibility and our brand image among our existing and potential customers and creating a public market for our Equity Shares in India.

FRESH ISSUE PROCEEDS

The details of the proceeds from the fresh Issue are provided in the following table:

(₹ in Lakhs)

| Particulars | Amount* |
|--|---------|
| Gross Issue Proceeds | [●] |
| Less: Expenses in relation to the Fresh Issue ⁽¹⁾ | [●] |
| Net Issue Proceeds* | [●] |

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

⁽¹⁾The Issue related expenses shall be determined at the time of filing Prospectus with RoC.

UTILIZATION OF NET PROCEEDS

The Net Proceeds are proposed to be used in accordance with the details provided in the following table: -

(₹ in Lakhs)

| Sr. No. | Particulars | Estimated Amount* |
|---------------|---|-------------------|
| 1. | Funding the Capital expenditure for purchase of new Plant and Machineries and Software by our Company | 673.11 |
| 2. | Expenditure for renovation of registered office and existing manufacturing unit | 38.88 |
| 3. | Repayment/prepayment of all or certain of our borrowings availed of by our Company | 1,050.00 |
| 4. | Pursuing inorganic growth initiatives through acquisitions [#] ; and | 400.00 |
| 5. | General Corporate Purpose [#] | [●] |
| Total* | | [●] |

[#]The amount to be utilised for general corporate purposes and inorganic growth initiatives does not individually exceed 25% of the Gross Proceeds respectively and does not exceed 35% collectively of the Gross Proceeds from the Fresh Issue, in accordance with Regulation 230(3) of the SEBI ICDR Regulations.

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

PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

Our Company plans to deploy the funds towards the above stated Objects depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year.

We propose to deploy the Issue 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 | Amount to be financed from Net Proceeds | Estimated deployment or Utilizations of Net Proceeds in Fiscal 2025 | Estimated deployment or Utilizations of Net Proceeds in Fiscal 2026 |
|---------------|---|---|---|---|
| 1. | Funding the Capital expenditure for purchase of new Plant and Machineries and Software by our Company | 673.11 | 423.11 | 250.00 |
| 2. | Expenditure for renovation of registered office and existing manufacturing unit | 38.88 | 38.88 | - |
| 3. | Repayment/prepayment of all or certain of our borrowings availed of by our Company | 1,050.00 | 1050 | - |
| 4. | Pursuing inorganic growth initiatives through acquisitions* | 400 | - | 400 |
| 5. | General Corporate Purpose* | [●] | [●] | |
| Total* | | [●] | [●] | |

**The amount to be utilised for general corporate purposes and inorganic growth initiatives does not individually exceed 25% of the Gross Proceeds respectively and does not exceed 35% collectively of the Gross Proceeds from the Fresh Issue, in accordance with Regulation 230(3) of the SEBI ICDR Regulations.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and circumstances, management estimates, prevailing market conditions and other external commercial and technical factors including interest rates, exchange rate fluctuations and other charges, which are subject to change from time to time. However, such fund requirements and deployment of funds have not been verified or appraised by any bank, financial institution, or any other external agency or party. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and strategy, competition, contractual terms and conditions and negotiation with lenders, variation in cost estimates and other external factors such as changes in the business environment and interest or exchange rate fluctuations, Environmental conditions and relation with foreign countries which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the section titled “Risk Factors” on page 29 of this Red Herring Prospectus.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned Objects during Fiscal 2024-25 and 2025-2026. In the event that the estimated utilization of the Net Proceeds in scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilized in the next fiscal year i.e. Fiscal 2026-2027, as may be determined by the Board, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes, to the extent that the total amount to be utilized towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws.

All quotations mentioned in this section are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendor would be engaged to eventually supply the plant and machineries and software and also same vendor would be engaged in renovation of registered office and existing manufacturing unit at the same costs. We are yet to place orders for any of the components of the Proposed Objects. The Proposed Objects may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties. For further details, see “Risk Factors” on page 29 of this Red Herring Prospectus.

MEANS OF FINANCE

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

| Particulars | Amount* |
|--------------|------------|
| Net Proceeds | [●] |
| Total | [●] |

(₹ in Lakhs)

*To be determined upon finalisation of the Issue Price and updated in the Prospectus prior to filing with the RoC.

The fund requirements for the Objects are proposed to be entirely funded from the Net Proceeds and in case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company shall utilise its internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals, as prescribed under Regulation 7(1)(e) of the SEBI ICDR Regulations and Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations.

DETAILS OF THE OBJECTS

The details of the Objects of the Issue are set out below:

1. Funding the Capital expenditure for purchase of new Plant and Machineries and Software by our Company;

We will continue to expand our operational capabilities and capacity to the extent it assists us in improving quality metrics and overall performance and in reducing our cost of production. Our strategy to expand our business requires us to invest in additional Plant and Machinery and to increase the production capacity to meet the clients demand for decreasing the lead times and to meet the industry demands and also to cater to other Valves manufacturers who are unable to meet or cater to the industry demands. We intend to increase our production capacity by way of installation of new plant and machineries at our existing factory unit on 32,431.66 Sq. Ft. in our existing premises located at Genesis Industrial Complex, Plot No. 30 and 31, Village Kolgaon, Palghar (East), Thane, Maharashtra - 401404, India.

We understand that the said installation shall allow us to be technologically advanced and meet functional efficiencies. We will continue to pursue such opportunities where we believe they will add value to our business, our stakeholders and our customers.

Our Board in its meeting dated July 11, 2024 took note that an amount of ₹ 673.11 Lakhs is proposed to be utilised for the purchase of Plant and Machineries and software as detailed below from the Net Proceeds. Our Company has received quotations from various suppliers for such machineries and is yet to place 100% orders or enter into definitive agreements for purchase of the machineries. According to our expansion strategy, we believe this will allow us to function effectively and efficiently while meeting our growing company requirements. The break-down of the estimated costs are set forth below:

We propose to acquire following machineries for our existing manufacturing facility along with the detailed description of the plant and machineries to be acquired:

i) Computer Numerical Control (CNC):

CNC machines are used to create precise parts and components. Machines with different model number/configuration used for different dimensions.

ii) Vertical Machining Center (VMC):

A VMC, also known as a Vertical Milling Machine, is a precision tool used to shape and fabricate metal by removing stock. VMCs are primarily used to cut, drill, shape, and mould raw blocks of metal such as aluminium and steel, into machined components. VMC technology refers to a specific type of CNC machine with a vertical spindle orientation

iii) Slant Bed:

A CNC turning center whose bed is tipped at an angle is a slant bed. Because of this, chips fall more freely than on lathes with a flat or horizontal beds. Tipping the bed means larger X-axis travels are possible. This increases machine flexibility and capacity.

iv) Test Bench:

These machines are used to test hydro test pressure.

v) Lift:

This is used for the upward and downward movement of manpower and materials.

vi) Lathe Machine:

A lathe is a machine tool that rotates a workpiece about an axis of rotation to perform various operations such as cutting, sanding, knurling, drilling, deformation, facing, threading and turning, with tools that are applied to the workpiece to create an object with symmetry about that axis.

vii) Transformer:

Transformer is to transfer electric energy from one alternating-current circuit to one or more other circuits, either increasing (stepping up) or reducing (stepping down) the voltage.

viii) Shot Blasting:

A shot blasting machine is a surface preparation tool that uses high-speed turbines to throw steel grits or shots at a material's surface. Shot blasting machines can also remove burrs, oxide skin, and sticky sand.

ix) Roughness Tester:

A roughness tester, also known as a surface roughness meter, measures the smoothness or waviness of a surface or object.

x) Solidworks Software:

SolidWorks is a 3D parametric design software used by engineers and designers to create products, including automobiles, marine equipment, airplane parts, and more.

xi) Master CAM Software:

Mastercam is a computer-aided design (CAD) and computer-aided manufacturing (CAM) software that's used to design and create parts, products, and toolpaths. It can be used for a variety of CNC programming needs, from basic to complex, and can help manufacturers streamline production processes, create code for CNC equipment, and program manufactured parts for precision and efficiency.

xii) Crane for Lifting:

This is used for lifting material from one point to another point.

The Details of all the machineries proposed to be imported and break-down of estimated costs are set forth below:

(Rs in Lakhs)

| S. No. | Type of Machine | Machinery Details | Quantity | Total Cost * | Name of the Supplier | Date of quotation | Validity | Purpose of Machine | Installation Location | |
|--------|---------------------------------|-------------------|----------|--------------|-------------------------------------|--------------------|-------------------------|-------------------------|------------------------------|---------|
| 1. | Computer | LT2-LM 800 | 2 | 45.92 | Ace Designers Limited | September 12, 2024 | 90 Days | Manufacturing of valves | Existing location at Palghar | |
| 2. | Numerical Control (CNC) | LT20 - LC Classic | 2 | 50.74 | | | | | | |
| 3. | | Super Jobber LM | 3 | 53.10 | | | | | | |
| 4. | Vertical Machining Center (VMC) | ACER | 1 | 41.84 | | | | Manufacturing of valves | | |
| 5. | | MCV 450 | 1 | 39.20 | | | | | | |
| 6. | | MCV 700 N Plus | 2 | 91.84 | | | | | | |
| 7. | Slant Bed | HCH 760-B4*1000 | 1 | 23.22 | Sriyantra Engineers Private Limited | September 13, 2024 | 30 Days | Manufacturing of valves | | |
| 8. | | HCH 950-B6*1000 | 1 | 54.98 | | | | | | 30 Days |
| 9. | | HCH 1400-B5*1500 | 1 | 104.94 | | | | | | |
| 10 | Test Bench | 60 MT 4 Station | 1 | 44.53 | Trident Hydro Solutions | September 12, 2024 | 90 Days | Testing | | |
| 11 | | 60 MT 2 Station | 1 | 24.21 | | | | | | |
| 12 | | 150 MT | 1 | 30.22 | | | | | | |
| 13 | Lift | 2 Ton (G+1) | 1 | 4.70 | Alfa Engineeringwork | September 12, 2024 | 90 Days | Manufacturing of valves | | |
| 14 | Lathe Machine | VGH-304 | 2 | 10.27 | Vinit Machines Private Limited | September 12, 2024 | | Manufacturing of valves | | |
| 15 | | VGL-165 | 4 | 5.44 | | | | | | |
| 16 | | VGM-255 | 4 | 10.61 | | | | | | |
| 17 | Transformer | 200 KVA | 1 | 8.55 | Shree Vighnasharta | September 13, 2024 | Manufacturing of valves | | | |

| S. No. | Type of Machine | Machinery Details | Quantity | Total Cost * | Name of the Supplier | Date of quotation | Validity | Purpose of Machine | Installation Location |
|--------|-------------------|-----------------------------------|------------|--------------|---|--------------------|----------|-------------------------|-----------------------|
| | | | | | Electrical | | | | |
| 18 | Shot Blasting | Airo shot | 1 | 3.08 | Airo Shot Blast Equipments | September 12, 2024 | | Testing | |
| 19 | Roughness Tester | Roughness Tester (Separable Type) | 1 | 0.99 | Bombay Tools | September 13, 2024 | | Testing | |
| 20 | Software | Solidworks | 2 | 12.06 | Best Engineering Aids and Consultancies Private Limited | September 12, 2024 | 91 Days | Designing of valves | |
| 21 | | Master CAM Mill 3D and Lathe | 2 softcode | 5.80 | ACCA D Solutions Private Limited | September 13, 2024 | 90 Days | | |
| 22 | Crane for Lifting | Crane Overhead | 1 | 6.87 | Alfa Engineeringwork | September 13, 2024 | | Manufacturing of valves | |
| | | | Total | 673.11 | | | | | |

**Excluding Taxes. Taxes payable on such machineries will be paid from our internal accruals. These are subject to additional costs including freight, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable shall be paid out of Internal Accruals, however, erection and commissioning fees are inclusive of the above-mentioned figures.*

Notes:

- a) We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
- b) All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.
- c) The machinery/equipment/software models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

- d) We are not acquiring any second-hand machinery.
- e) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of Packing & Forwarding, Transportation, Transit Insurance, Octroi / Entry tax if any etc. Such cost escalation would be met out of our internal accruals.

2. Expenditure for renovation of registered office and existing manufacturing unit:

We intend to utilise an estimated amount of ₹38.88 lakhs from the Net Proceeds to renovate existing registered office and factory unit located at Genesis Industrial Complex, Plot No. 30 and 31, Village Kolgaon, Palghar (East), Thane, Maharashtra - 401404, India on 32,431.66 Sq. Ft. between Fiscals 2024 to 2025.

| Fiscal 2025 | | |
|-----------------------|--|------------------------------------|
| Format | Place of renovation | Amount to be deployed (₹ in lakhs) |
| Interior Work | Registered Office | 8.10 |
| Internal Repair Work | Registered Office and Manufacturing unit | 15.19 |
| External Repair Work | | 7.80 |
| Terrace Waterproofing | | 7.79 |

The renovation of registered office and manufacturing unit would typically involve (i) upgradation of the registered office interior (ii) Interior repair work at manufacturing unit; and (iii) External repair work at manufacturing unit (backlit lights and fabric paints) (iv) Terrace Waterproofing.

Set out below is a brief description of the total estimated cost to be incurred for the components involved in renovating the registered office and manufacturing unit:

| Costs | Particulars |
|---|---|
| Upgradation of the Registered office interior | Registered office space needs an appropriate Cabin with the Partitions of Plywood and laminate and to install a full glass door with wooden frame, also it requires partly glazed low height partition with wooden squire cube with both side laminations, needs two coat painting on ceiling and to have electric point and switchboard, to have appropriate lights in cabin for management team, providing high-end Office Table and chair, the entrance of the office needs to be renovated with a good outlook and interiors i.e. the Reception area. |
| Interior repair work at Registered Office and manufacturing unit | Needs a Removal of all loose / Defective POP Plaster, Applying Waterproof Material, to apply new POP/Putty With proper levelling and Sanding, Apply Primer on wall both directions, and to apply Two Coat of Paint (Asian Paint). |
| External repair work at Registered Office and manufacturing unit | To repair all loose / defective plaster and clean all the external wall from dust, fungus of wall, to open all hair Cracks and fill with white cement and chemical and applying 1st coat of white wash and to provide and applying Asian Damp proof (two coat), and to apply Two Coat of Paint (Asian Apex Dust Proof including watchman cabin, compound wall front side, Head Room) |
| Terrace Waterproofing at Registered Office and manufacturing unit | Need to removing all Tar/Bitumen, Applying cement mortar (IPS) for Proper Slope, Providing new Drainage line (Rain Water Pipe line), Applying Bond Coat Waterproof Material, Apply Final Coat of Damp Proof and all complete |

Methodology for computation

Our estimated costs for renovating the Existing office and manufacturing unit are based on valid and existing quotations received from the below mentioned vendors. We have not entered into any definitive agreements with any vendors for the matters set out below. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates, if there is any increase in the costs of renovation, the additional costs shall be paid by us from our internal accruals.

Capital expenditure for renovation

A detailed break-down of the capital expenditure for renovation & repair work is as follows:

| Sr · No | Particulars | Components include | Area of Renovati on (In Sq. Ft.) | Estimated cost | | Vendor Name, Date of Quotation and Period of Validity of Quotation |
|---------------|----------------------------|---|--|---------------------|-------------------------------------|--|
| | | | | Rate per Sq. Ft. | Total Cost (₹ in lakhs)(1) | |
| 1 | Interior Work | Cabin Partitions of Plywood and laminate Providing Full Glass Door with wooden Frame Providing and fixing partly glazed low height partition with wooden squire cube with both side lamilation Apply two coat painting on ceiling Providing electric point and Switchbord providing lights in cabin Providing Office Table and chair Reception area, Interior Providing and apply light, paint toughned glass | 450 | 1800 | 8.10 | New Buildwell pursuant to their quotation dated September 12, 2024, valid for 90 days |
| 2 | Internal Repair Work | Removing all loose / Defective POP Plaster Applying Waterproof Material Provide and applying new POP/Putty With proper leveling and Sanding Apply Primer on wall both direction Apply Two Coat of Paint (Asian Paint) | 24,500 | 62 | 15.19 | |
| 3 | External Repair Work | Repair all loose / Defective Plaster Clean all the external wall from dust, fungus of wall. Open all hair Cracks and fill with white cement and chemical Provide and applying 1st coat of white wash Provide and applying Asian Damp proof (two coat) Apply Two Coat of Paint (Asian Apex Dust Proof including watchman cabin, | 12,000 | 65 | 7.80 | |

| | | | | | | |
|---|-----------------------|--|-------|----|--------------|--|
| | | compound wall front side, Head Room) | | | | |
| 4 | Terrace Waterproofing | Removing all Tar/Bitumen Applying cement mortar (IPS) for Proper Slope Providing new Drainage line (Rain Water Pipe line) Applying Bond Coat Waterproof Material Apply Final Coat of Damp Proof and all complete | 9,500 | 82 | 7.79 | |
| | Total | | | | 38.88 | |

Notes: ⁽¹⁾ excluding applicable GST, which shall be borne by our company from Internal Accruals.

Our Board in its meeting dated July 11, 2024 took note that an amount of ₹ 38.88 Lakhs is proposed to be utilised for renovation of our existing premises.

We have not entered into definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged. The quotation received from the vendor mentioned above is valid as on the date of this Red Herring Prospectus. For further details, see “**Risk Factors on page no. 29**” of this Red Herring Prospectus.

Objectives of capital expenditure towards renovation of existing registered office and factory unit

Upgrading and renovating our factory offices to create a more presentable and professional environment is a must for our type of business operations. A well-maintained and modern office space can help instil confidence in our customers and partners, and leave a positive impression of the company.

Renovating our offices can also help in enhancing our brand image, showcasing our commitment to quality and professionalism. It can create a more welcoming and productive work environment for the employees as well.

Investing in the renovation of the registered office and manufacturing unit shows that we are dedicated to continuous improvement and growth, which can help attract more business opportunities in the future. It's a strategic move that can have long-term benefits for our company.

3. Repayment/prepayment of all or certain of our borrowings availed of by our Company:

Our Board in its meeting dated July 11, 2024 took note that an amount of ₹1050.00 Lakhs is proposed to be utilised for repayment/ prepayment of certain borrowings availed by our Company from the Net Proceeds. Our Company has entered into financial arrangements from time to time, with various banks and financial institutions. The outstanding loan facilities entered into by our Company include secured and unsecured borrowing in the form of Loan against property of our Company and personal guarantees of the Directors and Promoters. For further details, please refer “Financial Indebtedness” on page 207 of this Red Herring Prospectus. As on March 31, 2024, the aggregate outstanding secured borrowings of our Company, is ₹1084.08 Lakhs. Our Company proposes to utilise an estimated amount of ₹1050.00 Lakhs from the Net Proceeds towards part or full repayment and/or pre-payment of borrowings availed by us.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary after payment of due instalments. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loan as the case may be which have been availed by us.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness, debt servicing costs assist us in maintaining a favourable debt-to-equity ratio and enable utilization of some additional amount from our internal accruals for further investment in our business growth and expansion. Additionally, we believe that since our debt-equity ratio will improve significantly, it will enable us to raise at competitive rates in the future to fund potential business development opportunities and plans to grow and expand our business in the future. The

following table provides the details of outstanding borrowings availed of by our Company which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

The details of the outstanding loans of our Company, as on March 31, 2024, which are proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below. The loan facilities are listed below in no particular order of priority.

(Rs. in Lakhs)

| Sr. No | Name of Lender | Nature of borrowing | Rate of Interest | Tenure in Months | Date of Disbursement of Loan | Date of Sanction | Amount Sanctioned (Rs. In lakhs) | Amount outstanding as on March 31, 2024 | Purpose | Prepayment Penalty/Condition |
|--------|---------------------|-----------------------|------------------|------------------|------------------------------|-------------------|----------------------------------|---|--|------------------------------|
| 1 | Vasai Vikas Bank | Mortgage Loan (672) | 12% | 90 | August 31, 2020 | April 30, 2016 | 150.00 | 32.79 | Term Loans for purchase of plant and machinery | NA |
| 2 | Vasai Vikas Bank | Mortgage Loan (673) | 12% | 91 | August 31, 2020 | April 30, 2016 | 275.00 | 65.63 | Term Loans for purchase of plant and machinery | |
| 3 | Vasai Vikas Bank | Mortgage Loan (1003) | 10.50 % | 84 | March 12, 2021 | March 12, 2021 | 50.00 | 32.92 | Working Capital Term Loan | |
| 4 | Vasai Vikas Bank | Mortgage Loan (1004) | 10% | 84 | March 17, 2021 | March 17, 2021 | 50 | 32.88 | Working Capital Term Loan | |
| 5 | NSIC Ltd | Mortgage Loan | 9% | NA | April 27, 2022 | April 27, 2022 | 200 | 178.78 | Raw Material Assistance | |
| 6 | Vasai Vikas Bank | Machine ry Loan (944) | 12% | 84 | July 16, 2022 | March 05, 2019 | 28 | 6.90 | Machine ry Loans | |
| 7 | Vasai Vikas Bank | Machine ry Loan (946) | 11.75 % | 91 | August 31, 2020 | December 22, 2018 | 8.50 | 1.13 | Machine ry Loans | |
| 8 | Vasai Vikas Bank | Term Loan (993) | 11% | 36 | June 12, 2020 | June 09, 2020 | 75 | Nil | Working Capital Term Loan | |
| 9 | Vasai Vikas Bank | Term Loan (1103) | 10.50 % | 84 | August 26, 2023 | June 15, 2023 | 90 | 82.21 | Working Capital Term Loan | |
| 10 | Vasai Vikas Bank | Vehicle loan_1123 | 9.75 % | 84 | November 30, 2023 | November 30, 2023 | 55 | 53.13 | Vehicle Loan | |
| 11 | Mahindra & Mahindra | Vehicle Loan | 14.23 % | 60 | October 02, 2023 | April 05, 2023 | 10.80 | 9.29 | Vehicle Loan | |
| 12 | Vasai Vikas Bank | Cash Credit | 10.50 % | NA | July 12, 2023 | July 12, 2023 | 600 | 588.44 | Working Capital | |
| | | | | | Total | | 1,592.3 | 1,084.08 | | |

Note: As certified by our Statutory Auditor, Kava & Associates, Chartered Accountants, by way of their certificate dated July 12, 2024.

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purpose availed, our Statutory Auditors have confirmed that the loans have been utilised for the purpose for which it was availed pursuant to their certificate dated July 12, 2024.

4. Pursuing inorganic growth initiatives through acquisitions

We will evaluate acquisition opportunities in the future that we believe supplement our strategic business objectives and growth strategies. We intend to pursue opportunities to undertake acquisitions (i) that allow us to enhance our scale and market position; (ii) that allow us to enhance our product portfolio including product category adjacencies by unlocking potential synergy benefits; (iii) that provide us with a platform to extend our reach to new geographic markets within India; (iv) that allow us to enter strategic businesses to capture additional revenue opportunities from our existing customer base to improve our margin profile ; and (v) that allow us to reduce dependency on external suppliers and strengthen its core business by Reverse Integration.

Rationale for acquisitions in future

Our acquisition strategy is primarily driven by our Board and the typical framework and process followed by us for acquisitions involves identifying the strategic acquisitions based on the rationale set out above, entering into requisite non-disclosure agreements and conducting diligence of the target. Once we have satisfactorily concluded the diligence exercise, we enter into definitive agreements to acquire the target based on the approval of our Board and the shareholders, if required.

Our organic growth strategy and associated investments are and will continue to be subject to multiple internal and external factors, including applicable business requirements, investments in newer technology infrastructure and platforms and towards adapting to changes in customer preferences and technological advancements. Some of the selection criteria that we may consider when evaluating strategic acquisitions include:

- expertise in the domain we operate in or wish to expand into;
- strategic fit with our existing business such that the businesses are synergistic with some of our existing businesses/customers or where we can look to leverage some of our existing experience, expertise or relationships, amongst other competencies;
- new customers / users that we can serve with our existing capabilities;
- product portfolio or product category adjacencies that can increase our wallet share from existing as well
- newer service offerings as well as improvement of our service and customer mix such that our overall margin profile improves;
- enhance our geographical reach;
- strengthen market share in existing markets; and

The amount of Net Proceeds to be used for acquisitions will be based on our management's decision and may not be the total value or cost of any such acquisitions but is expected to provide us with sufficient financial leverage to pursue such acquisitions, including payment towards goodwill and net assets and consideration for equity share purchase. For further details, see the section titled "Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution or any other independent agency, and may be subject to change based on various factors, some of which are beyond our control" on page 29 of this Red Herring Prospectus.

We intend to utilize the above-stated portion of the Net Proceeds towards our strategic acquisitions and/or investments which may be undertaken over the course of two financial years. As on the date of this Red Herring Prospectus, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives. These factors will also determine the form of investment for these potential acquisitions, i.e., whether they will be directly done by our Company or through investments in our subsidiaries in the form of equity, debt or any other instrument or combination thereof, or whether these will be in the nature of business, asset or technology acquisitions or joint ventures.

The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be. Further, in accordance with

the SEBI Listing Regulations, our Company will disclose to the Stock Exchanges, details of acquisition and/or investments such as cost and nature of such acquisition and/or investments, as and when acquired. We undertake that the acquisition and/or investments proposed to be undertaken from the Net Proceeds shall not be acquired from the Promoter, Promoter Group entities, affiliates or any other related parties.

5. General Corporate Purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations. Further, the cumulative amount to be utilized towards general corporate purposes and our object of pursuing inorganic initiatives shall not exceed 35% of the Gross Proceeds. The general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, strengthening marketing capabilities and brand building exercises, meeting ongoing general corporate contingencies, business requirements of our Company in the ordinary course of business towards salaries and wages, rent, administration expenses, upgrading our technology and maintenance, payment to creditors, advisory services, and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilizing surplus amounts, if any subject to the applicable laws.

ESTIMATED ISSUE RELATED EXPENSES

The Total expenses for this Issue are estimated to be approximately Rs. [●] Lakhs which is [●] % of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows

| Particulars | Estimated expenses (Rs. In Lakhs) * | As a % of total estimated Issue related expenses* | As a % of the total Issue size* |
|---|-------------------------------------|---|---------------------------------|
| Book Running Lead Manager Fees including underwriting commission | [●] | [●] | [●] |
| Brokerage, selling, commission and upload fees | [●] | [●] | [●] |
| Registrar to the issue | [●] | [●] | [●] |
| Legal Advisors | [●] | [●] | [●] |
| Advertising and Marketing expenses | [●] | [●] | [●] |
| Regulators including stock exchanges | [●] | [●] | [●] |
| Printing and distribution of issue stationery | [●] | [●] | [●] |
| Others, if any (market making, depositories, marketing fees, secretarial, peer review auditors, etc.) | [●] | [●] | [●] |
| Total Estimated Issue Expenses | [●] | [●] | [●] |

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

The fund deployed out of internal accruals up to September 13, 2024 is ₹ 5.25 Lakhs towards issue expenses vide certificate dated September 13, 2024 having UDIN: 24123756BKERIL9264 received from Kava & Associates, Chartered Accountants, Statutory Auditors of the Company and the same will be recouped out of issue expenses.

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

- 1) SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them.*
- 2) Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount.*

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

APPRAISAL

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

SHORTFALL OF FUNDS

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

BRIDGE FINANCING FACILITIES

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

MONITORING UTILIZATION OF FUNDS

The Audit Committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

INTERIM USE OF PROCEEDS

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

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

VARIATION IN OBJECTS

In accordance with Section 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

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

Bidders should read the following basis with the section titled “Risk Factors” and chapters titled “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Our Business” beginning on page 29, 204, 209 and 143 respectively, of this Red Herring Prospectus to get a more informed view before making any investment decisions.

QUALITATIVE FACTORS

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

- Wide range of our products;
- Well established relationship with clients;
- Leveraging the experience of our Promoter;
- Strong Marketing Practices;
- Good Standing in Marine Industry

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

QUANTITATIVE FACTORS

The information presented in this chapter is derived from company’s Restated Financial Statements for the financial years ended March 31 2024, 2023 and 2022 prepared in accordance with Indian GAAP and in terms of the requirements of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI as amended from time to time. For more details on financial information, investors please refer the chapter titled “Restated Financial Statements” beginning on page 204 of this Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its niche business segment and other qualitative factors in addition to the quantitative factors. Some of the quantitative factors which may form the basis for computing the price are as follows:

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

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

As per Restated Financial Statements - Post Bonus

| Particulars | Basic & Diluted EPS (in ₹) | Weights |
|-------------------------|----------------------------|---------|
| March 31, 2024 | 11.74 | 3 |
| March 31, 2023 | 1.30 | 2 |
| March 31, 2022 | 5.27 | 1 |
| Weighted Average | 1.20 | |

Notes:

1. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
2. Earnings per Equity Share = Profit for the year / Weighted average number of equity shares outstanding during the year.
3. Basic and diluted Earnings per Equity Share are computed in accordance with Accounting Standard 20.
4. The basic and diluted Earnings per Equity Share for the current year and previous year presented have been calculated/restated after considering the bonus issue subsequent to March 31, 2024.
5. The face value of each Equity Share is ₹10/-.

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

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

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

3. **Industry P/E Ratio**

| Particulars | P/E Ratio |
|-------------|-----------|
| Highest | 114.40 |
| Lowest | 20.36 |
| Average | 71.86 |

Note:

(1) The industry high and low has been considered from the industry peer set provided later in this section.

(2) The industry P / E ratio mentioned above is for the financial year ended March 31, 2023.

(3) All the financial information for listed industry peers mentioned above is sourced from the audited financial results of the relevant companies for Fiscal 2023, as available on the website of the Stock Exchanges at www.nseindia.com and www.bseindia.com.

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

As per Restated Financial Statements

| Particulars | RoNW (%) | Weights |
|-------------------------|--------------|---------|
| March 31, 2024 | 33.82% | 3 |
| March 31, 2023 | 14.59% | 2 |
| March 31, 2022 | (117.61) % | 1 |
| Weighted Average | 2.17% | |

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

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

As per Restated Financial Statements – Post Bonus

| Financial Year | NAV (₹) |
|--|------------|
| March 31, 2024 | 34.72 |
| March 31, 2023 | 8.92 |
| March 31, 2022 | (4.48) |
| Net Asset Value per Equity Share after the Issue at Issue Price | [●] |
| Issue Price | [●] |

Note: Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the year / Weighted number of equity shares outstanding at the end of the year.

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

| Name of Company | CMP (₹) | Face Value (₹) | Basic EPS (₹) | PE Ratio (times) | RoNW (%) | NAV per Share (₹) |
|--------------------------------|---------|----------------|---------------|------------------|----------|-------------------|
| Rappid Valves (India) Limited | [●] | 10 | 1.30 | [●] | 14.59% | 8.92 |
| Peer Group | | | | | | |
| Atam Valves Ltd | 156.15 | 10 | 7.67 | 20.36 | 30.68% | 25.01 |
| Chemtech Industrial Valves Ltd | 278.00 | 10 | 2.43 | 114.40 | 23.19% | 10.47 |

| | | | | | | |
|------------------------|--------|----|------|-------|-------|-------|
| Hawa Engineers Limited | 160.00 | 10 | 1.98 | 80.81 | 4.25% | 46.58 |
|------------------------|--------|----|------|-------|-------|-------|

Source: www.nseindia.com and www.bseindia.com

Notes:

- (1) The figures for our company are based on Restated Financial Statements for the year ended March 31, 2023.
- (2) The figures for the Peer Group are based on the Financial Statements filed for the financial year ended March 31, 2023.
- (3) P/E Ratio has been computed based on their respective closing market price on September 13, 2024 as divided by the Basic EPS as on March 31, 2023.
- (4) CMP is the closing prices or the last traded price of respective scripts as on September 13, 2024.
- (5) The Issue Price determined by our Company in consultation with the Book Running Lead Manager is justified by our Company in consultation with the Lead Manager on the basis of the above parameters.

7. Key Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 11, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. Vinay Bhushan & Associates, Chartered Accountants by their certificate dated July 11, 2024.

The KPIs of our Company have been disclosed in the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 143 and 209 of this Red Herring Prospectus, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 1 of this Red Herring Prospectus.

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

a) Key Performance Indicators of our Company.

As per Restated Financial Statements

(₹ in Lakhs)

| Key Financial Performance | For the Financial Year ended | | |
|----------------------------------|------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Revenue from Operations (1) | 3,651.25 | 1,639.91 | 1,214.11 |
| EBITDA (2) | 735.83 | 233.48 | 194.51 |
| EBITDA Margin (%) (3) | 20.15% | 14.24% | 16.02% |
| PAT | 413.27 | 45.56 | 28.98 |
| PAT Margin (%) (4) | 11.32% | 2.78% | 2.39% |
| Return on Equity (%) (5) | 53.88% | 31.69% | (82.09)% |
| Debt to Equity Ratio (times) (6) | 0.90 | 3.18 | (39.67) |
| Current Ratio (times) (7) | 1.48 | 1.04 | 0.80 |

Notes: M/s. Vinay Bhushan & Associates, Chartered Accountants by their certificate dated July 11, 2024.

Explanation of KPIs:

- (1) Revenue from operations means the revenue from operations as appearing in the restated financial information.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses – Other Income..
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- (4) PAT Margin is calculated as PAT for the year divided by revenue from operations.

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

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

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

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

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

Explanations for the certain financial data based on Restated Financial Statements

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

c) Comparison with Listed Industry Peers

As on March 31, 2023:

(₹ in Lakhs)

| Key Performance Indicators | Rappid Valves (India Limited) | Atam Valves Ltd | Chemtech Industrial Valves Ltd | Hawa Engineers Limited |
|----------------------------|-------------------------------|-----------------|--------------------------------|------------------------|
| Revenue from Operations(1) | 1,639.91 | 4,900.89 | 2,042.01 | 10,195.97 |
| EBITDA(2) | 233.48 | 1,091.06 | 389.66 | 416.27 |
| EBITDA Margin(3) | 14.24% | 22.26% | 19.08% | 4.08% |
| PAT | 45.56 | 766.76 | 278.94 | 69.84 |
| PAT Margin(4) | 2.78% | 15.65% | 13.66% | 0.68% |
| Return on Equity | 31.69% | 42.98% | 26.27% | 4.34% |
| Debt to Equity | 3.18 | 0.27 | 0.76 | 0.09 |
| Current Ratio | 1.04 | 2.88 | 2.20 | 1.75 |

As on March 31, 2022:

(₹ in Lakhs)

| Key Performance Indicators | Rappid Valves (India Limited) | Atam Valves Ltd | Chemtech Industrial Valves Ltd | Hawa Engineers Limited |
|----------------------------|-------------------------------|-----------------|--------------------------------|------------------------|
| Revenue from Operations(1) | 1,214.11 | 2,033.06 | 1,149.38 | 7,323.80 |
| EBITDA(2) | 194.51 | 314.20 | 158.89 | 304.91 |
| EBITDA Margin (%) (3) | 16.02% | 15.45% | 13.82% | 4.16% |
| PAT(4) | 28.98 | 136.61 | (56.07) | 109.30 |
| PAT Margin (%) (5) | 2.39% | 6.72% | (4.88)% | 1.49% |
| Return on Equity | (82.09)% | 13.41% | (6.09)% | 7.20% |
| Debt to Equity | (39.67) | 0.5 | 1.12 | 0.13 |
| Current Ratio | 0.80 | 2.43 | 1.86 | 1.63 |

Explanation of KPIs:

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

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

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

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

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

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

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

8. Justification for Basis for Issue price**a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares**

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

| Date of Allotment | No. of Equity Shares allotted | Face Value (₹) | Issue Price (₹) | Nature of Consideration | Nature of Allotment | Total Consideration (₹ in lakhs) |
|---|-------------------------------|----------------|-----------------|-------------------------|--|----------------------------------|
| February 04, 2023 | 5,15,000 | 10/- | 10/- | Cash | Rights Issue | 51.50 |
| July 10, 2024 | 3,02,184 | 10/- | 164.80/- | Other than Cash | Conversion of Optionally Convertible Preference Shares of Face Value of Rs. 100/- each into Equity Shares by way of preferential allotment | 498.00 |
| Weighted average cost of acquisition (WACA) Primary issuances (in ₹ per Equity Share) | | | | | | 67.24 |

Note: Optionally Convertible Preference Shares allotted on October 20, 2023 have not been considered for the calculations above since the same were converted into Equity Shares on July 10, 2024 and such Equity Shares have been considered for above calculations.

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

Except as set out below, there have been no secondary sale/ acquisitions of Equity Shares or any convertible securities (excluding gift), where our Promoters or the members of our Promoter Group are a party to a transaction, during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days:

| Name of the Transferor | Date of Transfer of Equity Shares | Number of Equity Shares Transferred | Face value per Equity Share (in ₹) | Transfer Price per Equity Share (in ₹) | Nature of Transaction | Nature of consideration | Consideration (in ₹ Lakhs) |
|------------------------|-----------------------------------|-------------------------------------|------------------------------------|--|---|-------------------------|----------------------------|
| Mr. Gaurav Vijay Dalal | September 16, 2023 | 1,75,000 | 10/- | 10/- | Transfer to Ms. Neena Romil Ramgarhia | Cash | 17.50 |
| | June 21, 2024 | 18,750 | 10/- | 160/- | Transfer to Mr. Ashish Mandowara (HUF) | Cash | 30.00 |
| | June 21, 2024 | 5,620 | 10/- | 178/- | Transfer to Mr. Girish Jain | Cash | 10.0036 |
| | June 21, 2024 | 6,250 | 10/- | 160/- | Transfer to Mr. Ankit Jain | Cash | 10.00 |
| | June 21, 2024 | 6,250 | 10/- | 160/- | Transfer to Mr. Umesh Kalantri | Cash | 10.00 |
| | June 21, 2024 | 6,250 | 10/- | 160/- | Transfer to Mr. Kamlesh Bhattar | Cash | 10.00 |
| | June 21, 2024 | 6,250 | 10/- | 160/- | Transfer to Mr. Satyapal Jain | Cash | 10.00 |
| | June 21, 2024 | 2,895 | 10/- | 173/- | Transfer to Mr. Nitin Dharwal | Cash | 5.01 |
| | June 21, 2024 | 5,785 | 10/- | 173/- | Transfer to Ms. Vinita Mundra | Cash | 10.01 |
| | June 21, 2024 | 5,620 | 10/- | 178/- | Transfer to Mr. Amit Yadav | Cash | 10.00 |
| | June 21, 2024 | 5,620 | 10/- | 178/- | Transfer to Mr. Rohan Lavsi | Cash | 10.00 |
| | June 26, 2024 | 12,500 | 10/- | 160/- | Transfer to Iarrow Advisors Private Limited | Cash | 20.00 |

| | | | | | | |
|--|--------|------|-------|--|------|---------------|
| June 26, 2024 | 12,326 | 10/- | 160/- | Transfer to Mr. Yogesh Chaudhary | Cash | 19.72 |
| June 26, 2024 | 9,190 | 10/- | 160/- | Transfer to Chempharma Private Limited | Cash | 14.70 |
| June 26, 2024 | 30,815 | 10/- | 160/- | Transfer to Mr. Gaurav Singh | Cash | 49.30 |
| June 26, 2024 | 15,678 | 10/- | 160/- | Transfer to Mr. Sagar Doshi | Cash | 25.08 |
| June 26, 2024 | 5,780 | 10/- | 173/- | Transfer to Ms. Varsha Kalantri | Cash | 10.00 |
| June 26, 2024 | 2,810 | 10/- | 178/- | Transfer to Ms. Soumya Jain | Cash | 5.00 |
| June 26, 2024 | 14,056 | 10/- | 160/- | Transfer to Mr. Abhishek Shah | Cash | 22.49 |
| June 26, 2024 | 12,326 | 10/- | 160/- | Transfer to Mr. Mohit Jain | Cash | 19.72 |
| June 26, 2024 | 9,190 | 10/- | 160/- | Transfer to Mr. Hardik Vora | Cash | 14.70 |
| June 27, 2024 | 5,780 | 10/- | 173/- | Transfer to Bizdhan Solutions LLP | Cash | 10.00 |
| June 27, 2024 | 12,326 | 10/- | 160/- | Transfer to Mr. Antriskh Modi | Cash | 19.72 |
| June 27, 2024 | 78,125 | 10/- | 160/- | Transfer to Shripal V Vora HUF | Cash | 125.00 |
| June 27, 2024 | 5,620 | 10/- | 178/- | Transfer to Mr. Pawan Jajoo | Cash | 10.00 |
| June 27, 2024 | 24,652 | 10/- | 160/- | Transfer to Ashok N Sons | Cash | 39.44 |
| Weighted average cost of acquisition (WACA) (Secondary Transactions) (₹ per Equity Share) | | | | | | 108.57 |

c) Since there are eligible transactions of our Company reported in Paragraph (a) and (b) above, the price per Equity Share of our Company based on the last five primary or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Red Herring Prospectus irrespective of the size of transactions, has not been computed.

d) Weighted average cost of acquisition, Issue Price

| Weighted average cost of acquisition of Equity Shares based on primary/ secondary transaction(s), as disclosed in paragraph above, are set out below: Types of transactions | Weighted average cost of acquisition (₹ per Equity Share)^ | Issue Price (₹ [●])* |
|--|--|----------------------|
| Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ | 67.24 | [●] Times |

| | | |
|---|--------|-----------|
| convertible securities), excluding shares issued under an employee stock option plan/ employee stock option scheme, and issuance of bonus shares, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days | | |
| Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where our Promoters or Promoter Group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days* | 108.57 | [●] Times |
| Since there are eligible transactions of our Company reported in Paragraph (a) and (b) above, the price per Equity Share of our Company based on the last five primary or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Red Herring Prospectus irrespective of the size of transactions, has not been computed. | | |

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

^As certified by Statutory Auditors of our Company, by way of their certificate dated July 12, 2024.

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

[●]*

*To be included on finalisation of Price Band.

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

The face value of our share is ₹10/- per share and the Issue Price is of ₹ [●] per share are [●] times of the face value. Our Company in consultation with the Book Running Lead Manager believes that the Issue Price of ₹ [●] per share for the Public Issue is justified in view of the above quantitative and qualitative parameters. Investor should read the above-mentioned information along with the section titled "Risk Factors" beginning on page 29 of this Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled "Restated Financial Statements" beginning on page 204 of this Red Herring Prospectus.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
Rappid Valves (India) Limited
(Formerly known as Rappid Valves (India) Private Limited)
Genesis Industrial Complex,
Plot No. 30, Village Kolgaon,
Palghar (East), Thane,
Maharashtra, India- 401404

Dear Sir/Ma'am,

Subject - Statement of possible tax benefits (“the statement”) available to Rappid Valves (India) Limited (Formerly known as Rappid Valves (India) Private Limited) (hereinafter referred as “the Company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.

Reference - Initial Public Offer of Equity Shares by Rappid Valves (India) Limited (Formerly known as Rappid Valves (India) Private Limited)

We hereby confirm that the attached Annexure 1 and 2 (together “the Annexures”), prepared by **Rappid Valves (India) Limited (Formerly known as Rappid Valves (India) Private Limited)** (“the Company”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2023, Circulars and Notifications issued thereunder from time to time, as applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, the Central Goods and Services Tax Act, 2017/ the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2023, Circulars and Notifications issued from time to time, as applicable for the Financial Year 2023-24, presently in force in India (together, the “Tax Laws”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and/ or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the attached Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the management of the Company. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.

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

- i) the Company or its shareholders will continue to obtain these benefits in future;
- ii) the conditions prescribed for availing the benefits have been/ would be met with; and
- iii) the Revenue Authorities/Courts will concur with the views expressed herein.

3. The contents of the attached Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

4. We do not give any assurance that the Revenue Authorities/ Courts will concur with the view expressed herein. Our views are solely based on existing provisions of law being force in India and implementation of such laws, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.

5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Offer Document 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.

For M/s. Vinay Bhushan & Associates
Chartered Accountants
Firm's Reg No. 130529W

CA. Vinay Bhushan
Partner
Membership No. 502632

Place: Mumbai
Date: 11th July, 2024
UDIN: 24502632BKCKZE5503

ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS

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

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

A. SPECIAL TAX BENEFITS TO THE COMPANY

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

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

Note:

1. All the above benefits are as per the current Tax Laws and will be available only to the sole/ first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant Direct Tax Law benefits and does not cover any Indirect Tax Law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Offer Document.

ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS

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

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

A. SPECIAL TAX BENEFITS TO THE COMPANY

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

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

Note:

1. All the above benefits are as per the current Tax Laws and will be available only to the sole/ first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant Indirect Tax Law benefits and does not cover any Direct Tax Law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Offer Document.

SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

GLOBAL ECONOMIC OVERVIEW

Global Economy Remains Resilient despite Uneven Growth; Challenges Lie Ahead.

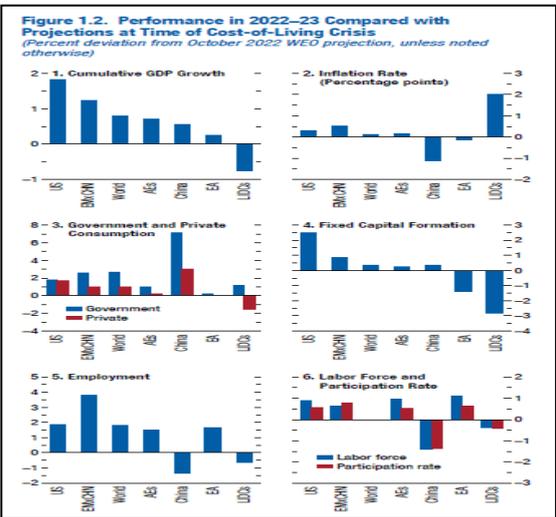
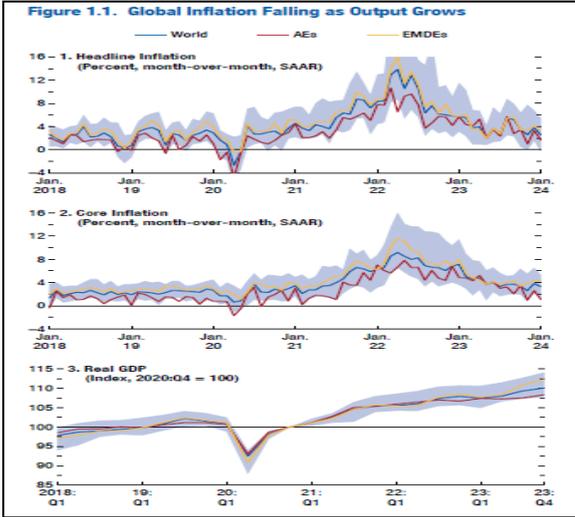
The global economy remains remarkably resilient, with growth holding steady as inflation returns to target. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian-initiated war on Ukraine that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major emerging market economies did not suffer sudden stops. Moreover, the inflation surge—despite its severity and the associated cost-of living crisis—did not trigger uncontrolled wage-price spirals. Instead, almost as quickly as global inflation went up, it has been coming down. On a year-over-year basis, global growth bottomed out at the end of 2022, at 2.3 percent, shortly after median headline inflation peaked at 9.4 percent. According to our latest projections, growth for 2024 and 2025 will hold steady around 3.2 percent, with median headline inflation declining from 2.8 percent at the end of 2024 to 2.4 percent at the end of 2025. Most indicators point to a soft landing. Markets reacted exuberantly to the prospect of central banks exiting from tight monetary policy. Financial conditions eased, equity valuations soared, capital flows to most emerging market economies excluding China have been buoyant, and some low-income countries and frontier economies regained market access there will be less economic scarring from the pandemic—the projected drop in output relative to prepandemic projections—for most countries and regions, especially for emerging market economies, thanks in part to robust employment growth. Astonishingly, the US economy has already surged past its prepandemic trend.

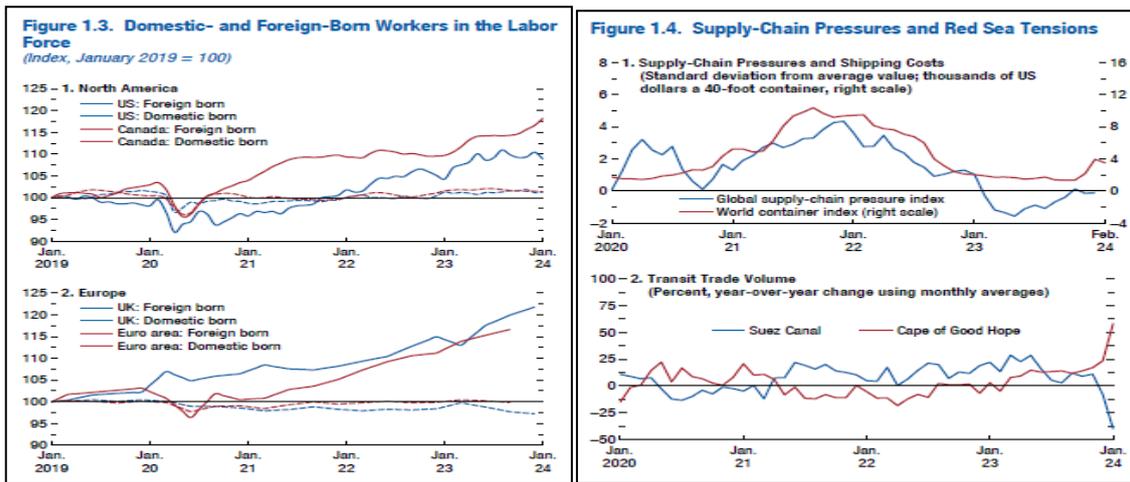
Resilient growth and faster disinflation point toward favorable supply developments, including the fading of earlier energy price shocks, the striking rebound in labor supply supported by strong immigration flows in many advanced economies. Decisive monetary policy actions, as well as improved monetary policy frameworks, especially in emerging market economies, have helped anchor inflation expectations. However, the transmission of monetary policy may have been more muted this time around in countries such as the United States, where an increased share of fixed-rate mortgages and lower household debt levels since the global financial crisis may have limited the drag on aggregate demand up to now.

Despite these welcome developments, numerous challenges remain, and decisive actions are needed. First, while inflation trends are encouraging, we are not there yet. Somewhat worryingly, the most recent median headline and core inflation numbers are pushing upward. This could be temporary, but there are reasons to remain vigilant. Most of the progress on inflation came from the decline in energy prices and goods inflation below its historical average. The latter has been helped by easing supply-chain frictions, as well as by the decline in Chinese export prices. But services inflation remains high—sometimes stubbornly so—and could derail the disinflation path. Bringing inflation down to target remains the priority. Second, the global view can mask stark divergence across countries. The exceptional recent performance of the United States is certainly impressive and a major driver of global growth, but it reflects strong demand factors as well, including a fiscal stance that is out of line with long-term fiscal sustainability. This raises short-term risks to the disinflation process, as well as longer-term fiscal and financial stability risks for the global economy since it risks pushing up global funding costs. Something will have to give. In the euro area, growth will pick up this year, but from very low levels, as the trailing effects of tight monetary policy and past energy costs, as well as planned fiscal consolidation, weigh on activity. Continued high wage growth and persistent services inflation could delay the return of inflation to target. However, unlike in the United States, there is scant evidence of overheating and the European Central Bank will also need to carefully calibrate the pivot toward monetary easing to avoid an excessive growth slowdown and inflation undershoot. While labor markets appear strong, that strength could prove illusory if European firms have been hoarding labor in anticipation of a pickup in activity that does not materialize.

Disinflation amid Economic Resilience

Economic activity was surprisingly resilient during the global disinflation of 2022–23. Growth in employment and incomes has held steady as favorable demand and supply developments have supported major economies, despite rising central bank interest rates aimed at restoring price stability. As inflation converges toward target levels and central banks pivot toward policy easing, a tightening of fiscal policies aimed at curbing high government debt levels, with higher taxes and lower government spending, is expected to weigh on growth. The pace of expansion is also expected to remain low by historical standards as a result of factors including the long-term consequences of the COVID-19 pandemic, Russia’s invasion of Ukraine, weak growth in productivity, and increasing geoeconomics fragmentation. In late 2023, headline inflation neared its prepandemic level in most economies for the first time since the start of the global inflation surge. In the last quarter of 2023, headline inflation for advanced economies was 2.3 percent on a quarter-over-quarter annualized basis, down from a peak of 9.5 percent in the second quarter of 2022. For emerging market and developing economies, inflation was 9.9 percent in the last quarter of 2023, down from a peak of 13.7 percent in the first quarter of 2022, but this average was driven by high inflation in a few countries; for the median emerging market and developing economy, inflation declined to 3.9 percent. This progress notwithstanding, inflation is not yet at target in most economies. As global inflation descended from its peak, economic activity grew steadily, defying warnings of stagflation and global recession. During 2022 and 2023, global real GDP rose by a cumulative 6.7 percent. That is 0.8 percentage point higher than the forecasts made at the time of the October 2022 World Economic Outlook (WEO) The United States and several large emerging market and middle-income economies displayed the greatest overperformance, with aggregate demand supported by stronger-than-expected private consumption amid still-tight—though easing—labor markets. Households in advanced economies supported their spending by drawing down accumulated pandemic-era savings. Larger-than-expected government spending further supported the expansion of aggregate demand in most regions. The overall budgetary stance—measured by the structural fiscal balance—was more expansionary than expected, on average. Among large economies, the additional budgetary support, compared with October 2022 WEO forecasts, was estimated at 2 percent of GDP in the United States and 0.2 percent of GDP in the euro area, whereas in China, the fiscal stance was mildly tighter than expected, by 0.7 percent of GDP. The euro area also displayed the smallest upside growth surprise, reflecting weak consumer sentiment and the lingering effects of high energy prices. In parallel, global headline inflation declined broadly in line with expectations, averaging just 0.1 percentage point more than predicted in the October 2022 WEO for 2022 and 2023. However, in lower-income countries, inflation was on average higher than expected, reflecting cases in which pass-through into domestic prices from international food, fuel, and fertilizer costs, as well as from currency depreciation, was greater than expected. Price pressures in some lower-income countries were significant. These factors also caused these economies to grow more slowly than expected, suggesting a negative supply shock. In China, inflation fell unexpectedly, with the decrease reflecting sharply lower domestic food prices and pass-through effects on underlying (core) inflation.

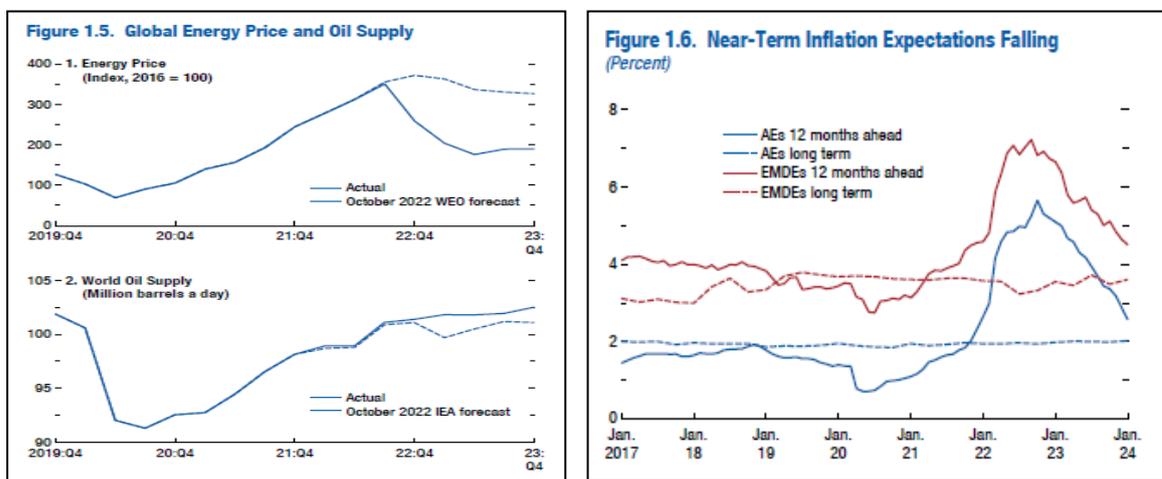




The resilience in global economic activity was compatible with falling inflation thanks to a post pandemic expansion on the supply side. A greater-than-expected rise in the labor force amid robust employment growth supported activity and disinflation in advanced economies and several large emerging market and middle-income economies. The labor force expansion reflected, in some economies, increased inflows of migrants, with faster growth in the foreign-born than in the domestic-born labor force since 2021 as well as higher labor force participation rates. Exceptions to this pattern include China, where labor market weakness, in the context of subdued demand, was broad based across sectors, and lower-income countries, where supply-side challenges held job creation back. Greater-than-expected additions to the stock of physical capital, with business investment responding to the strength in product demand, further bolstered the supply side in most regions, with exceptions including the euro area, where interest-rate-sensitive business investment, particularly in manufacturing, was subdued. A resolution of pandemic-era supply-chain problems allowed delivery times to decline and transportation costs to decrease (Figure 1.4). After attacks on commercial shipping in the Red Sea—through which 11 percent of global trade flows—global transportation costs increased, reflecting the rerouting of cargo from the Suez Canal to the Cape of Good Hope and continued trade disruptions from climate extremes in the Panama Canal, but remained well below their 2021–22 levels and have recently declined. The price of energy fell faster than expected from its peak (Figure 1.5), in part as a result of increased non-OPEC (Organization of the Petroleum Exporting Countries) oil production and increased natural gas output, most notably in the United States. Rising exports of Russian oil on account of the expanding non-Western-aligned oil tanker fleet carrying Russian oil and Russia’s setting up its own maritime insurance added further to the world energy supply.

Inflation (and Expectations) in Decline

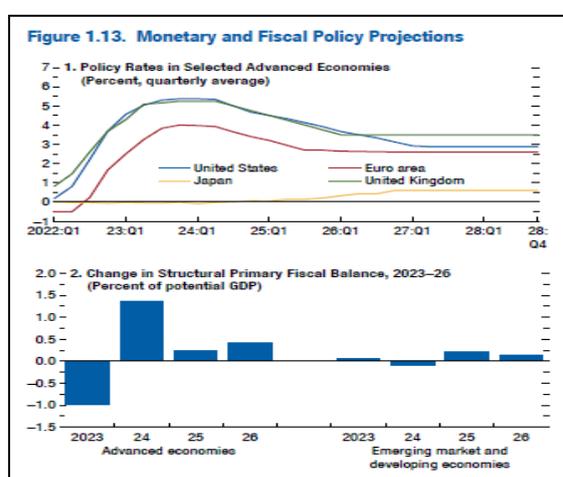
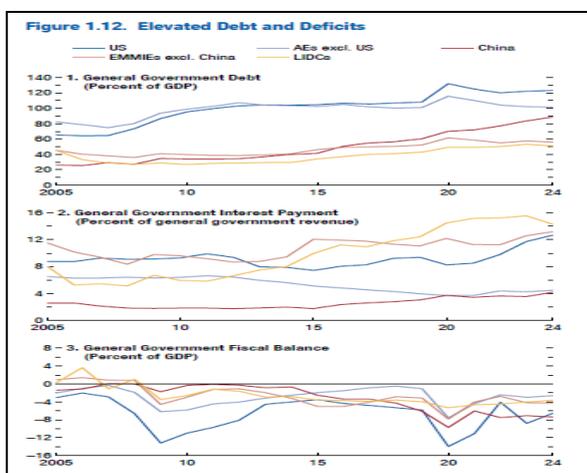
The fall in headline inflation since 2022 reflects the fading of relative price shocks—notably those to energy prices—as well as lower core inflation. The decline in energy prices reflects not only increased global energy supply, but also the effects of tight monetary policies. The monetary tightening by central banks in major advanced economies during 2022–23 may have contributed strongly to lowering energy prices owing to its high degree of synchronization and the associated effect on curbing world energy demand (as in the analysis of Auclert and others 2023).



Core inflation has declined as a result of the fading of effects of pass-through from past shocks to headline inflation, as well as because labor market pressures have eased. Pass-through effects include the effects of past relative price shocks—notably those to the price of energy and supply shifts in various industries—on prices and costs in other industries through supply-chain inputs and wage demands. Near-term inflation expectations are an important pass-through channel because of their implications for both wage and price setting and have declined toward target levels in both advanced economies and emerging market and developing economies, although measures of financial-market-based inflation expectations have recently shown signs of a pickup in the US.

The Outlook: Steady Growth and Disinflation

Latest projections are for the global economy to continue growing at a similar pace as in 2023 during 2024–25 and for global headline and core inflation to decline steadily. There is little change in the forecast for global growth since the January 2024 WEO Update, with some adjustments for major economies including a further strengthening in the projection for the United States, offset by modest downward revisions across several other economies. The forecast for global growth remains higher, however, than in the October 2023 WEO. The outlook for inflation is broadly similar to that in the October 2023 WEO, with a downward revision for advanced economies, offset by an upward revision for emerging market and developing economies. Medium-term prospects for growth in world output and trade remain the lowest in decades, with the pace of convergence toward higher living standards slowing for middle- and lower-income countries. The baseline forecasts for the global economy are predicated on a number of projections for global commodity prices, interest rates, and fiscal policies.



- Commodity price projections:** As explained in the Commodity Special Feature in this chapter, prices by, on average, 9.7 percent, with oil prices falling by about 2.5 percent. The decreases reflect abundant spare capacity and strong non-OPEC+ (Organization of the Petroleum Exporting Countries plus selected nonmember countries, including Russia) supply growth. Coal and natural gas prices are expected to continue declining from their earlier peaks, by 25.1 percent for coal and 32.6 percent for natural gas in 2024, with the gas market becoming increasingly balanced on account of fuel commodities are projected to fall in 2024 new supply, dampened demand, and high storage levels. The forecast for nonfuel commodity prices is broadly stable in 2024, with prices for base metals expected to fall by 1.8 percent, on account of weaker industrial activity in Europe and China. Food commodity prices are predicted to decline by 2.2 percent in 2024. Compared with those in the January 2024 WEO Update, forecasts for food prices have been revised slightly downward, driven by expectations of abundant global supplies for wheat and maize.
- Monetary policy projections:** With inflation projected to continue declining toward targets and longer-term inflation expectations remaining anchored, policy rates of central banks in major advanced economies are generally expected to start declining in the second half of 2024. Among major central banks, by the fourth quarter of 2024, the Federal Reserve’s policy rate is expected to have declined from its current level of about 5.4 percent to 4.6 percent, the Bank of England to have reduced its policy rate from about 5.3 percent to 4.8 percent, and the European Central Bank to have reduced its short-term rate from about 4.0 percent to 3.3 percent. For Japan, policy rates are projected to rise gradually, reflecting growing confidence that inflation will sustainably converge to target over the medium term despite Japan’s history of deflation.
- Fiscal policy projections:** Governments in advanced economies are expected to tighten fiscal policy in 2024 (Figure 1.13) and, to a lesser extent, in 2025–26. Among major advanced economies, the structural fiscal-balance-to-GDP ratio is expected to rise by 1.9 percentage points in the United States and by 0.8 percentage point in the

euro area in 2024. In emerging market and developing economies, the projected fiscal stance is expected to be, on average, broadly neutral in 2024, with a tightening of about 0.2 percentage point projected for 2025.

Conclusions and Policy Recommendations

The chapter's analysis suggests that the global economy's declining actual growth and waning growth expectations largely reflect persistent headwinds. A significant slowdown in TFP has emerged as a key factor, with that slowdown driven by increased resource misallocation and slower growth in efficient TFP. A shrinking working-age population in major economies, coupled with lackluster business investment, has also contributed. For the most part, the implications of the analysis here are sobering for medium-term global growth prospects. Absent timely policy interventions and a boost from emerging technologies, global growth is likely to remain well below its pre-pandemic historical average in the medium term.

How could policies help elevate growth? The chapter's findings suggest that interventions should focus on reforms that promote market competition, trade openness, financial accessibility, and labour market flexibility. These could significantly boost TFP growth by alleviating institutional and financial barriers that impede the efficient allocation of capital and labour across firms. Such reforms offer substantial gains for growth and can be complemented by governance and external sector reforms (Budina and others 2023). Industrial policies targeted to specific sectors, if poorly designed, may impede resource allocation to more productive firms or sectors at the same time, policies designed to facilitate the flow and integration of migrant workers, alongside measures to boost labour force participation among older workers in advanced economies—through retirement reforms and labour market programs—could mitigate the increasing demographic pressures on labour supply. Encouraging the participation of women in emerging market economies, by expanding education enrollment and childcare support, could unlock their untapped potential. These efforts should be complemented by policies that reduce social barriers and gender discrimination to ensure talent is optimally allocated across jobs.

Investment in human capital, especially in low-income developing countries, is essential to leverage their demographic dividend. In regard to capital formation, since higher corporate leverage has held back business investment in emerging market economies, reforming mechanisms for restructuring and insolvency and eliminating debt bias in corporate tax policies can also help support medium-term growth. To lessen the negative growth impact from increased geo-economic fragmentation, it is important to steer clear of damaging unilateral trade and industrial policies. The global medium-term prospects are not all doom and gloom. Resilience amid various shocks and the emerging promise of technologies such as AI could prove transformative for medium-term global growth. To fully harness this potential, countries must strengthen their regulatory frameworks, including intellectual property protection, and revisit redistributive and other adjustment programs to ensure that the benefits from AI are shared fairly and wide. Looking beyond the medium term, policies geared toward promoting innovation play a crucial role in defining the path of future global growth.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

INDIAN ECONOMY OVERVIEW

Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

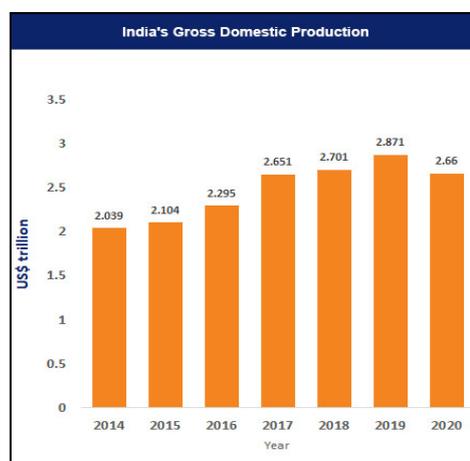
India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Market Size

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) narrowed to 1.2% of GDP in the October-December quarter of 2023-24 compared to US\$ 10.5 billion for the third quarter of 2023-24 compared to US\$ 11.4 billion or 1.3% of GDP in the preceding quarter. This was largely due to higher service exports.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.



Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).

- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).

- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).

- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025

Road Ahead

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4% in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

GLOBAL MANUFACTURING INDUSTRY

What is a manufacturing business model?

In simple words, a manufacturing business model refers to the way a manufacturer creates value and structures its operations to transform raw materials and components into finished products through a series of design, production, and logistics processes to create and deliver value to its customers as well as capture value for itself and its stakeholders. Business models are integral to a manufacturer's success and competitive edge as they provide a roadmap for creating value, generating revenue, managing costs, and adapting to a dynamic business environment¹. Manufacturing firms that strategically design and execute innovative business models are better positioned for long-term success.

A generic manufacturing business model can be described in terms of nine key building blocks⁴ that interact to configure different organizational resources, activities, and partners to create and deliver products and services to one or more customer segments through the proper channels and relations within a reasonable cost and gaining acceptable revenue and profits. These building blocks include Customer segments that represent the different groups of customers a manufacturing business serves with its products and services. These customer groups could include industrial clients, wholesalers, retailers, or end consumers. Identifying and understanding the specific needs and characteristics of each of these customer groups is crucial for tailoring the manufacturer's value propositions accordingly and for effectively configuring the required resources, activities, and partners for the design, manufacturing, and delivery of such value propositions through the proper channels. The value proposition that stands for the unique value (benefits) a manufacturing business can offer to its customers in terms of new product designs and features, superior quality and performance, mass customization or personalization options, or other value-added factors such as complementary services that set a manufacturer's products apart from those of its competitors.

Channels that determine the most effective ways to reach and sell to customers. These channels might involve direct sales, distribution through retailers, e-commerce platforms, or partnerships with other businesses. Channels also consider the supply chain and logistics aspects integral for delivering complete and timely product orders.

Customer relationships that outline how a manufacturing business will engage with its customers. This could include customer support, warranty services, and other post-sales interactions during a product's middle- and end-of-life as well as regular communications to understand and meet evolving customer needs.

Revenue streams that specify the sources of revenue for the manufacturing business. This could include product sales, maintenance contracts, licensing fees, or any other ancillary services that can contribute to the income streams.

Key resources that account for the critical resources and assets required to operate a manufacturing business from raw materials to production facilities and equipment to skilled labor.

Key activities that define the design, engineering, and manufacturing processes needed to conceptualize and develop a product.

Key partners that can enhance the manufacturing capabilities of the business or provide access to key resources and assets. These alliances might include suppliers, distributors, or joint ventures.

Cost structure that outlines the major costs associated with running a manufacturing business, including raw materials, labor, facilities, distribution, and overhead costs.

What is manufacturing business model innovation?

Manufacturing business model innovation refers to the process of strategically reimagining and redesigning one or more of the nine building blocks of a manufacturing firm's business model and/or the architecture linking this departure from traditional manufacturing approaches, encompassing significant changes in how a manufacturer designs, produces, sells, and supports its products along their lifecycles. Key areas for manufacturing business model innovation related to the nine building blocks of a generic manufacturing business model include but are not limited to:

New customer-centricity approaches place a strong emphasis on understanding and meeting the targeted customer segments' needs and engaging customers in value co-creation and co-innovation activities to ensure that the offered products and services align with their expectations.

New value propositions focus on creating new accustomed or personalized sustainable products, enhancing existing ones with new sustainable and smart features, or providing additional services to these to better meet evolving customer needs.

New sales channels such as online marketplaces and social media channels sell directly to consumers and bypass traditional retail channels, thus leading to better shopping experiences.

building blocks by looking at innovative ways of creating, delivering, and capturing new forms of value, enhancing competitiveness, and adapting to changing market and consumer dynamics^{5 6}. It involves a systematic and radical

New customer relationships priorities the customer through distinctive loyalty programmes, special promotions, and unique shopping experiences, tailored with customer data insights, which demonstrate a deeper understanding of customer pains.

New revenue streams beyond selling physical products explore new recurring income sources based on the offering of services and solutions, for instance, maintenance, upgrades, and performance-based contracts as well as leveraging data monetization opportunities.

New resources management practices based on the circular economy principles minimize the impact of finite resource consumption and create truly sustainable business models and value propositions.

New activities optimization efforts enhance efficiency, boost productivity, minimize waste, reduce costs, and improve product quality.

New partnership schemes based on collaborations with other manufacturers, suppliers, or even competitors create synergies and unlock new value propositions by integrating complementary products and/or services.

New cost structures analyses and better manage the various costs incurred in the design, manufacturing, and delivery of products and services to enhance profitability.

What are the challenges of manufacturing business model innovation?

While manufacturing business model innovation can bring about positive changes as discussed, it also comes with its set of challenges. Here are some common hurdles that manufacturing firms may face when attempting to innovate their business models:

Resistance to change is one of the primary challenges to manufacturing business model innovation as employees may be hesitant to adopt new technologies or ways of working.

High initial costs that come with the implementation of new technologies or processes that can require a significant upfront investment. Integration with legacy systems as new technologies may not be easily compatible.

Skills gaps as the adoption of advanced technologies may require new skill sets not available in the workforce.

Data security concerns as production equipment becomes more connected through the Internet of Things (IoT) and other digital technologies, there are increased concerns about cyber threats.

Regulatory compliance as new business models may require manufacturing firms to navigate complex regulatory landscapes, which can slow down the pace of innovation.

Uncertain return on investment (ROI) as manufacturing firms may hesitate to invest in new technologies without a clear understanding of the long-term benefits and financial returns.

Cultural shift towards a true culture of innovation can be difficult since it requires not only changes in processes and technologies but also a shift in the organizational mindset, embracing experimentation, learning from failures, and continuous improvement.

Lack of standardization can complicate the adoption process of new technologies.

Market acceptance when introducing new products or services through innovative business models may face challenges in gaining customers' and partners' acceptance. Long implementation timelines as significant changes in business models can take time. Overcoming these challenges requires strategic planning, effective change management, and a commitment to fostering a culture of innovation within a manufacturing firm.

(Source: https://worldmanufacturing.org/wp-content/uploads/27/6-WMF-Report-2023_E-Book.pdf)

INDIAN MANUFACTURING INDUSTRY

Introduction

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.

The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.

Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry. The Indian manufacturing sector is steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.

India has the capacity to export goods worth US\$ 1 trillion by 2030 and is on the road to becoming a major global manufacturing hub.

With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025.



India now has the physical and digital infrastructure to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains.

A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. Several factors contribute to their potential. First off, these value chains are well positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship.

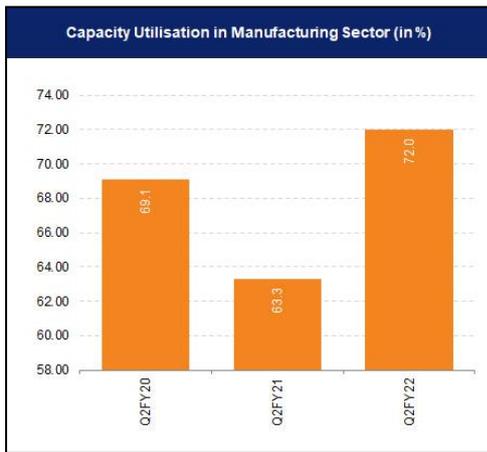
Second, they can take advantage of four market opportunities: expanding exports, localising imports, internal demand, and contract manufacturing. With digital transformation being a crucial component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry.

India is gradually progressing on the road to Industry 4.0 through the Government of India's initiatives like the National Manufacturing Policy which aims to increase the share of manufacturing in GDP to 25 percent by 2025 and the PLI scheme for manufacturing which was launched in 2022 to develop the core manufacturing sector at par with global manufacturing standards.

India is planning to offer incentives of up to Rs. 18,000 crore (US\$ 2.2 billion) to spur local manufacturing in six new sectors including chemicals, shipping containers, and inputs for vaccines.

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aimed to create 100 million new jobs in the sector by 2022.

Market Size



Manufacturing exports have registered highest ever annual exports of US\$ 447.46 billion with 6.03% growth during FY23 surpassing the previous year (FY22) record exports of US\$ 422 billion. By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%.

India's gross value added (GVA) at current prices was estimated at US\$ 626.5 billion as per the quarterly estimates of the first quarter of FY22.

India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy. As per the economic survey reports, estimated employment in manufacturing sector in India was 5.7 crore in 2017-18, 6.12 crore in 2018-19 which was further increased to

6.24 crore in 2019-20. India's display panel market is estimated to grow from ~US\$ 7 billion in 2021 to US\$ 15 billion in 2025. As per the survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI), capacity utilisation in India's manufacturing sector stood at 72.0% in the second quarter of FY22, indicating significant recovery in the sector.

The manufacturing GVA at current prices was estimated at US\$ 110.48 billion in the first quarter of FY24.

Investment

Some of the major investments and developments in this sector in the recent past are:

- According to the Department for Promotion of Industry and Internal Trade (DPIIT), India received a total foreign direct investment (FDI) inflow of US\$ 48.03 billion in FY23.
- Between April 2000-September 2023:
 - The automobile sector received FDI inflows of US\$ 35.40 billion.
 - The chemical manufacturing sector (excluding fertilisers) received FDI inflows worth US\$ 21.71 billion.
 - The drug and pharmaceutical manufacturing sector received FDI inflows worth US\$ 21.58 billion.
 - The Food Processing Industries received FDI inflows worth US\$ 12.35 billion.
- India's manufacturing sector activity continued to expand in November 2023, with the S&P Global Purchasing Managers' Index (PMI) reaching 56.
- During the financial year 2022-23, around 1.39 crore net members were added by EPFO with an increase of 13.22% compared to the previous financial year 2021-22 wherein EPFO had added approximately 1.22 crore net members.
- In FY23, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 55.6.

- The Index of Industrial Production (IIP) from April-October 2023 stood at 143.5.
- The combined index of eight core industries stood at 154.1 for April-September 2023 against 143.0 for April-September 2022.
- The cumulative index of eight core industries increased by 7.8% during April-September 2023-24 over the corresponding period of the previous year.
- In Q2 FY24, the survey, which covered 380 manufacturers that account for about Rs. 4.8 trillion (US\$ 58 billion) in sales, showed a robust 74% capacity utilization and improved future investment outlook during Q2.
- In FY23, the export of the top 6 major commodities (Engineering goods, Petroleum products, Gems and Jewellery, Organic and Inorganic chemicals, and Drugs and Pharmaceuticals) stood at US\$ 295.21 billion.
- The Employees' Provident Fund Organisation (EPFO) added 1,720,615 in September 2023.
- In October 2021, information technology major Zoho, announced that it will invest Rs. 50–100 crore (US\$ 6.7-13.4 million) and form a new company, that will focus on research and development (R&D) in the manufacturing sector.
- In August 2021, Wistron Corp. collaborated with India's Optiemus Electronics to manufacture products such as laptops and smartphones, giving a major boost to the 'Make in India' initiative and electronics manufacturing in the country.
- In April 2021, Samsung started manufacturing mobile display panels at its Noida plant and plans to ramp up manufacturing IT display panels soon.
- Samsung Display Noida, which has invested Rs. 4,825 crore (US\$ 650.42 million) to move its mobile and IT display manufacturing plant from China to Uttar Pradesh, has received special incentives from the state government.
- In April 2021, Bharti Enterprises Ltd. and Dixon Technologies (India) Ltd., formed a joint venture to take advantage of the government's PLI scheme for the manufacturing of telecom and networking products.

Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

➤ In the Interim Union Budget 2024-2025:

- In the interim budget 2024, the allocation for the Production Linked Incentive (PLI) Scheme for various sectors saw a substantial increase, with notable examples including a 360% rise to Rs 6,903 crore (US\$ 830 million) for the Semiconductors and Display Manufacturing Ecosystem and a 623% surge to Rs 3,500 crore (US\$ 421 million) for the Automobile sector.
- In the interim budget 2024, there was commendable fiscal responsibility demonstrated alongside significant investments in infrastructure, including emphasis on affordable housing, clean energy, and technological advancement. Additionally, the budget allocated funds for the creation of a Rs 1-lakh crore (US\$ 12 billion) innovation fund for sunrise domains, providing a substantial boost for the startup industry. Moreover, there was a notable focus on promoting the shift to electric vehicles (EV) through the expansion of EV charging networks, thereby offering opportunities for small vendors in manufacturing and maintenance.
- In the Interim Union Budget 2024-25, the Ministry of Defence has been allocated Rs. 621,541 crore (US\$ 74.78 billion), marking a significant increase of approximately 4.72% from the previous allocation of Rs. 593,538 crore (US\$ 71.41 billion).
- Under the Skill India mission, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) has trained over 1.40 crore candidates since 2015, as per Skill India Digital data until December 13, 2023. Notably, in the Short-term Training (STT) program, 42% of certified candidates found placement opportunities, with 24.39 lakh candidates successfully placed out of 57.42 lakh certified.

- In the Union Budget 2023-24:
 - Startups incorporated within a time-period and meeting other conditions can deduct up to 100% of their profits; the end of this period has been extended from March 31, 2023, to March 31, 2024. In addition, the period within which losses of startups may be carried forward has been extended from seven to ten years.
 - As per the Union Budget 2023 – 24, the income tax rate for new co-operative societies engaged in manufacturing activities has been lowered from 22% to 15% (plus 10% surcharge).
 - The upper limit on turnover for MSMEs to be eligible for presumptive taxation has been raised from Rs. 2 crore (US\$ 2,43,044) to Rs. 3 crore (US\$ 3,64,528). The upper limit on gross receipts for professionals eligible for presumptive taxation has been raised from Rs. 50 lakh (US\$ 60,754) to Rs. 75 lakh (US\$ 91,132).
 - Expenditure on fertilizer subsidy is estimated at Rs. 1,75,100 crore (US\$ 21.2 billion) in 2023-24. This is a decrease of Rs. 50,120 crore (US\$ 6.09 billion) (22.3%) from the revised estimate of 2022-23. Fertilizer subsidy for 2022-23 was increased substantially in response to a sharp increase in international prices of raw materials used in the manufacturing of fertilizers.
 - The Centre will facilitate one crore farmers to adopt natural farming. For this, 10,000 Bio-Input Resource Centres will be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.
 - To avoid cascading of taxes on blended compressed natural gas, excise duty on GST-paid compressed biogas contained in it has been exempted from excise duty. Customs duty exemption has been extended to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles.
 - To further deepen domestic value addition in manufacture of mobile phones, the finance minister announced relief in customs duty on import of certain parts and inputs like camera lens. The concessional duty on lithium-ion cells for batteries will continue for another year. Basic customs duty on parts of open cells of TV panels has been reduced to 2.5%. The Budget also proposes changes in the basic customs duty to rectify inversion of duty structure and encourage manufacturing of electrical kitchen chimneys.
 - Basic customs duty on seeds used in the manufacture of Lab Grown Diamonds has also been reduced.
- Ministry of Defence has set a target of achieving a turnover of US\$ 25 billion in aerospace and defence Manufacturing by 2025, which includes US\$ 5 billion exports. Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector.
- A new category of capital procurement ‘Buy {Indian-IDDMM (Indigenously Designed, Developed and Manufactured)}’ has been introduced in Defence Procurement Procedure (DPP)-2016
- By 2030, the Indian government expects the electronics manufacturing sector to be worth US\$ 300 billion.
- Initiatives like Make in India, Digital India and Startup India have given the much-needed thrust to the Electronics System Design and Manufacturing (ESDM) sector in India.
- Moreover, the government’s endeavours such as Modified Special Incentive Scheme (M-SIPS), Electronics Manufacturing Clusters, Electronics Development Fund and National Policy on Electronics 2019 (NPE 2019) have been a huge success.
- The Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECES) has been notified with an aim to strengthen the value chain for the manufacturing of electronic products in India.
- In the Union Budget 2022-23:
 - Ministry of Defence was allocated Rs. 525,166 crore (US\$ 67.66 billion)
 - The government allocated Rs. 2,403 crore (US\$ 315 million) for Promotion of Electronics and IT Hardware Manufacturing.

- The PLI for semiconductor manufacturing is set at Rs. 760 billion (US\$ 9.71 billion), with the goal of making India one of the world's major producers of this crucial component.
- The government approved a PLI scheme for 16 plants for key starting materials (KSMs)/drug intermediates and active pharmaceutical ingredients (APIs). The establishment of these 16 plants would result in a total investment of Rs. 348.70 crore (US\$ 47.01 million) and generation of ~3,042 jobs. The commercial development of these plants is expected to begin by April 2023.
- In September 2022, the National Logistics Policy was launched by Prime Minister Mr. Narendra Modi which ensures quick last mile delivery, ends transport-related challenges.
- In November 2021, the Experts' Advisory Committee (EAC) of the Department for Promotion of Industry and Internal Trade approved Rs. 3 crore (US\$ 403,293.54) for the Atal Incubation Centre (AIC), Pondicherry Engineering College Foundation (PECF), under the Start-up India Seed Fund scheme.
- In September 2021, Prime Minister Mr. Narendra Modi approved the production-linked incentive (PLI) scheme in the textiles sector—for man-made fibre (MMF) apparel, MMF fabrics and 10 segments/products of technical textiles—at an estimated outlay of Rs. 10,683 crore (US\$ 1.45 billion).
- India outlined a plan in August 2021 to reach its goal of US\$ 1 trillion in manufactured goods exports.
- In July 2021, the government launched six technology innovation platforms to develop technologies and thereby, boost the manufacturing sector in India to compete globally.
- To propagate Make in India, in July 2021, the Defence Ministry issued a tender of Rs. 50,000 crore (US\$ 6.7 billion) for building six conventional submarines under Project-75 India.
- In May 2021, the government approved a PLI scheme worth Rs. 18,000 crore (US\$ 2.47 billion) for production of advanced chemical cell (ACC) batteries; this is expected to attract investments worth Rs. 45,000 crore (US\$ 6.18 billion) in the country, and further boost capacity in core component technology and make India a clean energy global hub.
- In India, the market for grain-oriented electrical steel sheet manufacturing is witnessing high demand from power transformer producers, due to the rising demand for electric power and increasing adoption of renewable energy in the country.
- The Mega Investment Textiles Parks (MITRA) scheme to build world-class infrastructure will enable global industry champions to be created, benefiting from economies of scale and agglomeration. Seven Textile Parks will be established over three years.
- The government proposed to make significant investments in the construction of modern fishing harbours and fish landing centres, covering five major fishing harbours in Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat, along with a multipurpose Seaweed Park in Tamil Nadu. These initiatives are expected to improve exports from the textiles and marine sectors.
- The 'Operation Green' scheme of the Ministry of the Food Processing Industry, which was limited to onions, potatoes, and tomatoes, has been expanded to 22 perishable products to encourage exports from the agricultural sector. This will facilitate infrastructure projects for horticulture products.

Road Ahead



India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 3.4 trillion along with a population of 1.48 billion people, which will be a big draw for investors. The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US\$ 100 billion by 2025 through policy interventions.

One of the initiatives by the Government of India's Ministry for Heavy Industries & Public Enterprises is SAMARTH Udyog Bharat 4.0, or SAMARTH Advanced Manufacturing and Rapid Transformation Hubs. This is expected to increase competitiveness of the manufacturing sector in the capital goods market. With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

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

GLOBAL VALVES INDUSTRY

Valves Market Analysis

The Valves Market size is estimated at USD 79.90 billion in 2024, and is expected to reach USD 108.20 billion by 2029, growing at a CAGR of 6.25% during the forecast period (2024-2029).

- Valves control the flow and pressure within a system or process. It forms an essential piping system component that conveys liquids, gases, vapors, slurries, etc. Hence, the growing investment in infrastructure development and the automation of industries are driving the growth of the studied market. Rising investments in pipeline infrastructure in the oil and gas sector are expected to boost the installation of industrial valves.
- Additionally, many developing countries are witnessing increased government water supply and sanitation projects, which will likely propel the sales of industrial valves for domestic and agricultural applications. Furthermore, the growth in investments made by various countries to develop the water and wastewater infrastructure is another major factor driving the studied market's growth, as valves are widely used in water and wastewater plants and distribution pipelines. The global valve market has many players offering various solutions targeting applications across various end-user industries. This significantly drives competition among the vendors, encouraging them to develop innovative solutions and adopt unique business strategies to expand their market presence. Hence, the growing market competitiveness is anticipated to drive the studied market's growth further during the forecast period.
- Many companies are leveraging emerging technologies such as artificial intelligence (AI) and industrial Internet of Things (IIoT) to minimize unplanned downtime and other unfavorable incidents due to valve failures. Valves equipped with sensors are also being increasingly adopted to reduce failures and overall maintenance costs. The adoption of these advanced valves is expected to boost the market further over the forecast period.
- However, the market players need to comply with the various certifications and policies of different regions concerning valve manufacturing, resulting in diversity in product specifications due to the widespread application of valves in several end-user industries. This acts as a restraint for market growth as the companies have to manufacture products according to the regional policies, making it difficult for them to achieve an ideal installation cost.
- The COVID-19 pandemic had a negative impact on the oil and gas industry, with oil prices slashing drastically. The decline in the demand for oil and gas due to various restrictions imposed by governments worldwide created a huge gap between supply and demand. Besides oil and gas, water and wastewater treatment and energy and power industries are also among the key end-users of valves. All these industries also witnessed reduced demand due to the global pandemic. However, with the restrictions lifted from almost everywhere, these industries have started recovering gradually in the post-pandemic period, accelerating the market growth going forward during the forecast period.

Valves Market Trends

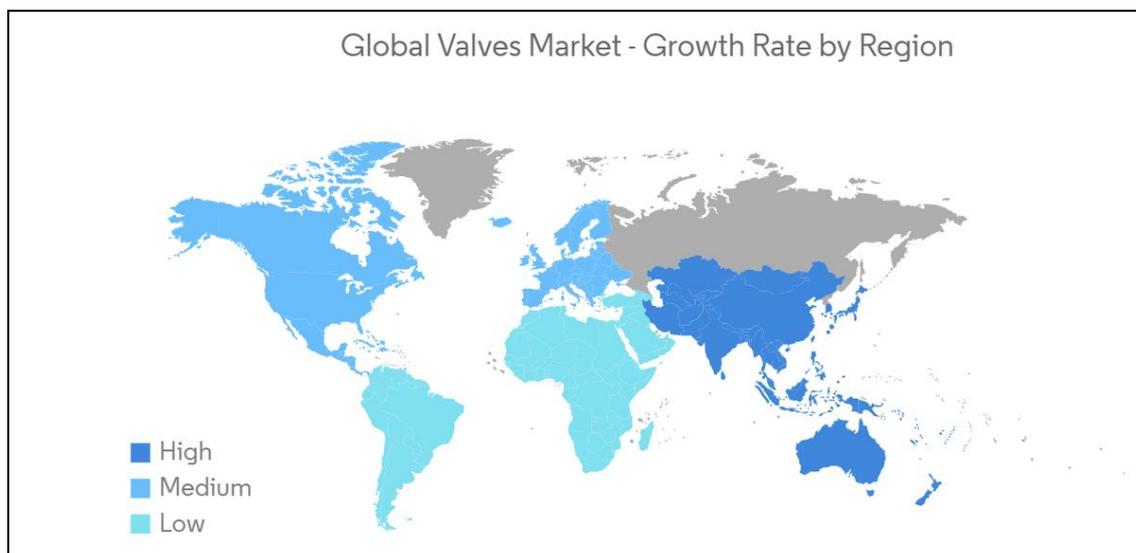
Oil and Gas Vertical Accounts for a Major Market Share

- Many oil and gas operations, such as refining and distribution, rely on pipeline systems. Therefore, infrastructure and trustworthy control systems are crucial in the business. Oil and gas valves are essential to ensure the safety of pipeline industrial operations. Valve systems are important parts of any piping system. They can control flow rates, isolate and protect equipment, and guide and direct crude oil refining. For instance, gate valves, which are linear motion devices used to open and close fluid flow, are commonly used in many piping and pipeline applications.

- Increasing oil and gas exploration and production (E&P) activities is a major market growth trend. Many countries also invest heavily in drilling activities to tap unconventional resources, creating a positive outlook for the global valves market. With the oil and gas industry expanding owing to a growing demand for petroleum products, vendors operating in the market are launching innovative solutions targeting oil and gas industry applications.
- The broad usage of all types of valves in the infrastructure of any oil and gas industry supports the market's growth, including gate valves, which could be the most commonly used in the oil and gas industry. It uses a gate system to open or close a pipeline entirely and is suitable if the flow rate needs to be controlled. When the actuator completely opens the valve, the channel is unobstructed, allowing even slurry fluids like crude oil to flow more easily, showing the usage of valves in the oil and gas industries.
- Valves play an instrumental role in sustaining operations' continuity and ensuring that the oil and gas industry functions due to their ability to manage pressure, regulate flow, and control the movement of resources across this industrial domain. This supports their pivotal role in maintaining operational stability, which would fuel the market's growth during the forecast period.
- The growth of crude oil demand worldwide, supported by the upstream, midstream, and downstream activities of the oil and gas sector and public and private investments in the sector to develop production and processing capabilities, is supporting the industrial growth of oil refineries and petroleum product plants worldwide, which will fuel the valve market in the future.

Asia-Pacific Market is expected to Grow Significantly

- The region holds a high market share due to the growing development in manufacturing and R&D activities in various industries across Asia-Pacific. Further, the rising number of initiatives taken to ensure the safety of workers in industries such as chemicals, oil, and gas also support the market growth in the region.
- India is one of the fastest-growing countries in manufacturing sectors and machinery, creating a significant demand for industrial valves. The Indian government provides benefits to companies setting up manufacturing units. It has also outlined various policies to boost the manufacturing sector. For instance, in February 2024, the government of India announced a USD 67 billion investment plan for the natural gas supply chain to meet India's surging energy demands. This plan would support the adoption of valves in the supply chain and the distribution of natural gas in the country and fuel the market growth in Asia-Pacific.
- Furthermore, China continues to account for a significant market share due to the growing industrial activities across the region and the rise in the number of manufacturing plants for oil and gas, chemical, and water, among others. This has increased the demand for industrial valves that can handle high pressure. For instance, SUEZ was awarded a 30-year build-and-operate contract for an industrial wastewater treatment plant in Changshu, China, through a local joint venture. The SUEZ joint venture is responsible for designing, constructing, and operating the wastewater treatment plant, which is expected to be commissioned in 2024.
- Power generation facilities require valves that withstand harsh operating conditions, such as high temperatures, pressures, and corrosive environments. Valves used in boiler feedwater systems and primary steam isolation, as well as to regulate feed water flow rate and turbine control, show the demand for the market in Asia-Pacific, which is in line with the factory automation trend in the power generation industries during the forecast period.
- The emerging economies, including India, China, Japan, South Korea, and other Southeast Asian countries, have been registering significant growth in their industrial sector to support their economic progress, which would help the construction of industries in the Asia-pacific region and can fuel the market growth of Valves in the future due to the application of Valves in the factories' infrastructure for controlling the flow of various fluids, such as steam, water, and cooling agents, among others.



Valves Industry Overview

The global valves market is characterized by moderate competitiveness and several influential players. These key actors hold significant market shares and are expanding their customer bases internationally. These industry leaders engage in strategic collaborations to bolster their market presence and enhance profitability. Notable market players include Emerson Electric Co., Schlumberger Limited, Alfa Laval Corporate AB, Flowserve Corporation, and Crane Co.

- December 2023 - Emerson Electric Co., a company in automation technology and software, has been chosen by SungEel HiTech Co. Ltd, a Korean expert in lithium-ion battery recycling. The collaboration aims to enhance sustainable production and operational efficiency at SungEel's latest lithium-ion recycling facility within the Hydro Center complex in Gunsan, Jeollabuk-do. Under this agreement, Emerson will deliver advanced instrumentation and valve solutions tailored to meet the stringent demands of SungEel HiTech's advanced proprietary hydrometallurgical processes, underscoring the growth in the company's valve business.

- November 2023 - Flowserve Corporation introduced the Worcester Cryogenic series, showcasing quarter-turn floating ball valves known for reliability in LNG, hydrogen, and industrial gas applications. The series offers two configurations: a three-piece design (CF44 series) and a flanged option (CF51/CF52 series). The features include a high-strength stem and an upgraded live-loaded stem seal, ensuring superior control over fugitive emissions.

(Source: <https://www.mordorintelligence.com/industry-reports/global-valves-market>)

INDIAN VALVES INDUSTRY

India Industrial Valves Market Analysis

The India Industrial Valves Market size is estimated at USD 2.41 billion in 2024, and is expected to reach USD 3.38 billion by 2029, growing at a CAGR of greater than 7% during the forecast period (2024-2029).

The COVID-19 pandemic negatively affected the market for industrial valves due to several restrictions imposed by India's government. The pandemic affected the oil and gas, power, and chemicals sectors, impacting the industrial valve market. However, post-COVID-19, the market recovered significantly owing to the rising consumption of industrial valves in water treatment, oil and gas, chemical, and power applications.

- Over the short term, the increasing demand for valves from water treatment plants, the oil and gas industry, and the power industry are significant factors driving the growth of the market studied.
- However, the high costs and need for regular maintenance of valves are likely to restrain the growth of the market.
- Nevertheless, the increase in demand for automatic valves is likely to create lucrative growth opportunities for the industrial valves market.

India Industrial Valves Market Trends

Growing Demand in the Oil and Gas Industry

- The oil and gas industry includes offshore and onshore platforms for oil and gas exploration, production, and refining, as well as refineries, pipelines, gas pipelines, petrochemical units, and storage terminals. Industrial valves are used in upstream, midstream, and downstream applications in the oil and gas industry. The valves are used in long pipelines as compressors to keep the product moving. Valves will help to protect equipment while offering minimal restriction to the flow.
- India's oil and gas sector is amongst the country's eight core industries and plays a crucial role in influencing the decision-making of all other chief sections of the economy. As per the India Energy Outlook 2021 (IEA) report, primary energy demand in the country is likely to nearly double to 1,123 million tonnes (MT) of oil equivalent by 2040. The country is estimated to be one of the most significant contributors to the global non-OECD (Organization for Economic Cooperation and Development) petroleum consumption growth.
- According to BP PLC, oil production in the country has declined recently. In 2022, the oil production in the country stood at 29.7 million ton, compared to 34 million ton in 2021. However, oil consumption is significantly increasing in the country. In 2022, the country's oil consumption reached 5.15 million barrels, compared to 4.87 million barrels consumed in 2021. Thus, the demand for oil and gas is increasing in the country.
- Several companies have announced investments in starting oil and gas exploration projects to increase the crude oil production capacity of the country. For instance, in 2022, the oil and gas industry in the country attracted USD 25 billion in investments in exploration and production. Thus, oil production is expected to increase, driving the industrial valves market.
- Furthermore, in March 2022, the board of IOCL (Indian Oil Corporation Limited) approved plans to invest INR 72,820 million (~USD 932.6 million) for the development of the City Gas Distribution (CGD) network in nine geographical areas (GAs). Thus, the gas distribution network's increase is expected to drive the market for industrial valves in the country.
- Thus, the country's oil and gas industry growth is expected to drive the industrial valves market.

Increasing Demand from the Power Industry

- The applications of valves in the power industry include boiler startup, feed pump recirculation, steam conditioning, and turbine bypass. For instance, the valves in the condensate system control and regulate the extra flow needed for a condensate pump that circulates fluid. In addition, valves are used to regulate the feedwater heater's deaerator level.
- Valves are used for boiler feed pump recirculation in the feedwater system in the power industry. In this scenario, the valve is crucial because it needs to be used in modulating and on-off services. Valves are also used in conventional systems for superheaters, turbine bypass, superheater bypass, etc. A modulating valve manages pressure. Such valves generate enormous demand throughout the power industry and will propel market expansion.
- India's power generation witnessed its highest growth rate in over 30 years in FY 2023. Power generation in India increased by 8.87% to 1,624.15 billion kilowatt-hours (kWh) in FY 2023. According to data from the Ministry of Power, India's power consumption stood at 130.57 billion units in April 2023.
- In India, various hydropower projects have started in recent years to further increase production. For instance, in January 2023, the Union Cabinet (CCEA) approved an investment of INR 26,410 million (~USD 315 million) for SJVN's 382 MW Sunni Dam Hydro Project. Thus, the construction of new hydropower plants will drive the demand for industrial valves in the country.
- Furthermore, as of 2022, India had 22 nuclear reactors in operation at seven nuclear power plants with a total installed capacity of 7,480 MW, which is only around 2% of the global installed nuclear capacity. The country wants to add over 25,000 MW of nuclear power generation over the next decade. The growing power generation from fossil sources and increasing installation of nuclear power are estimated to drive the valves market during the forecast period.
- Thus, the growth in the power industry in the country is expected to drive the market for industrial valves during the forecast period.

(Source: <https://www.mordorintelligence.com/industry-reports/india-industrial-valves-market>)

GLOBAL MARINE VALVES INDUSTRY

Marine Valves Market Size

The Global Marine Actuators and Valves Market is projected to grow at a CAGR value of 4.5% from 2022 to 2027.

Actuators are mechanical devices in marine machinery that help in the starting and stopping mechanisms of marine transportation. Marine valves are a crucial component in ships and are useful in controlling the flow rate, direction, and pressure of the liquid flowing in the ship's pipeline. As per the OECD, the demand for global maritime transport would triple by 2050. Technological advancements in the workings of ships and cargo vessels are possible by upgrading to the latest changes in actuators and valves. Actuators and valves play a crucial role in the efficiency of marine transportation and are expected to gain attention due to the many advantages it provides to marine transportation.

The market will be driven during the forecast period by increasing demand for maritime trade and transportation, tremendous growth in the manufacturing of ships and cargo vessels, and rising government expenditure on naval equipment and transport.

Furthermore, the need for efficient marine transportation due to the high usage of maritime transport and the high demand for actuators and valves that help in efficiency and subsequently in reducing costs is the factor that will propel the market.

Marine Valves Market: By Mechanism

The hydraulic segment is expected to be the fastest-growing segment in the market from 2022 to 2027.

Hydraulic valves are devices that help in controlling the flow of a hydraulic system. The benefit of a hydraulic valve is that it can handle large amounts of fluid pressure as hydraulic valves have the feature of tolerating more than 3000 psi. The hydraulic actuator is also known as the hydraulic cylinder, has gained prominence due to the availability of environmentally friendly versions of the actuator.

Marine Valves Market: By Material

The alloy-based segment is expected to be the largest market in the economy from 2022 to 2027.

The ability of alloy-based actuators and valves to resist corrosion from seawater makes it a preferable material for marine actuators and valves. Manufacturing companies use alloys to make several marine types of equipment such as pipes, heat exchanger tubes, and propellers. Alloy-based marine parts have thermal conductivity and are durable in nature.

Marine Valves Market: By Region

North America (the United States, Canada, and Mexico) will have a dominant share in the Marine Actuators and Valves market from 2022 to 2027. The major factor driving the growth of the market in the North American region is increased manufacturing of defense and commercial ships and cargo vessels, increasing dependence on domestic and international marine transportation, and investments in the naval force.

Moreover, the Asia Pacific (India, China, Japan, Malaysia, Singapore, and the Rest of Asia Pacific) region is expected to be the fastest-growing segment in the Marine Actuators and Valves market during the forecast period. The usage of marine transportation for trade and the need for efficient marine transportation are the factors that will propel the market in the region.

(Source: <https://www.globalmarketestimates.com/market-report/marine-actuators-and-valves-market-3812>)

INDIAN MARINE VALVES INDUSTRY

The global marine actuators & valves market is experiencing a significant growth due to increase in marine trade activities. Marine actuators & valves enable the valve control mechanism that operates the flow through a valve. Marine valves are used in ships to control the liquid flow through ship's piping and machinery system. Marine actuators are valve control system designed to convert different forms of energy into mechanical motion to open or close valve and capable of being operational in a marine vessel. Marine actuators & valves are used in various marine systems such as safety system, auxiliary system, and navigation system.

COVID-19 scenario analysis:

Marine actuators & valves manufacturers are forced to shut down their manufacturing process due to supply chain disruption caused by the lockdown imposed by government in order to slow the spread of COVID-19.

Installation & upgradation of marine actuators & valves are hindered due to lockdown imposed by nations globally in the wake of COVID-19 pandemic.

Ship builders are facing short term operational issues due to lack of marine actuator & valve supply caused by the transport restrictions imposed by authorities to control the COVID-19 outbreak.

Marine tourism & trade is witnessing a standstill due to worldwide travel bans.

Top impacting factors: market scenario analysis, trends, drivers and impact analysis

Surge in marine trade, increase in demand for advanced naval vessels, and rise in adoption of low-maintenance actuators & valves are some of the factors that drive the global marine actuators & valves market. However, low energy efficiency of pneumatic actuators hinders the market growth. On the contrary, growth in number of ship manufacturers, rise in demand for command & control systems, and maintenance repair & overhaul (MRO) of existing ship fleet present new pathways in the industry.

Demand for advanced naval vessels

Naval vessels use valve & actuator extensively to efficiently operate various systems on-board a navy ship such as weapon release system, navigation system, and hydraulics system. Recently, US Navy awarded 982 million USD on 5-year contract to 40 companies for providing advanced systems for its underdevelopment unmanned surface vehicle (USV). Draper Laboratory (a not-for-profit research organization based in Massachusetts, US) is among 40 companies short listed by US Navy to develop actuator technology among other advanced technologies. Such R&D for marine actuators & valves for naval vessels is expected to boost the global marine actuators & valves market.

Rise in adoption of low-maintenance actuators & valves

Smooth actuator & valve operation is essential for maintenance of vessel piping system. Actuators and remote-controlled valves have internal diagnostics that enable planned maintenance. Such actuator & valve system require a low level of maintenance and are power efficient. Moreover, reduced maintenance provides cost benefits through reliable & efficient operation as well as reducing downtime. Such actuators & valves with low-maintenance requirement are expected to drive the global marine actuators & valves market.

(Source: <https://www.alliedmarketresearch.com/marine-actuators-and-valves-market-A09229>)

OUR BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “Risk Factors” and chapters titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 29, 204 and 209 respectively, of this Red Herring Prospectus.

Unless otherwise indicated, the Restated Financial Statements included herein is based on our Restated Financial Statements for Financial Years ended on March 31, 2024, 2023 and 2022 included in this Red Herring Prospectus. For further information, see “Restated Financial Statements” beginning on page 204 of this Red Herring Prospectus.

OVERVIEW

Rappid Valves (India) Limited recognized by its brand name “Rapid” also known as “Rappid Valves”, being an Engineering Company, is primarily engaged in the manufacturing of Valve solutions. Our extensive product portfolio encompasses a vast range of valves which includes Ball valves, Gate Valves, Globe Valves, Butterfly Valves, Check Valves, Double Block valves, Strainer Valves and Marine Valves which are manufactured using ferrous and non-ferrous materials, sizes ranging from 15mm to 600mm catering to diverse requirement. Our Company was established in the year 2002 vide Certificate of Incorporation dated May 24, 2002 as a Private Limited Company under the name Rapid Valves (India) Private Limited with Mr. Gaurav Vijay Dalal and Ms. Usha Vijay Dalal as the initial subscribers of our Company. Our Company changed its name to Rappid Valves (India) Private Limited pursuant to issuance of Fresh Certificate of Incorporation dated February 10, 2009.

Our Company commenced manufacturing operations at Genesis Industrial Complex, Plot No. 30 and 31, Village Kolgaon, Palghar (East), Thane, Maharashtra, India property purchased in 2006. Our facilities are spread across 32,431.66 Sq. Ft., Mr. Gaurav Vijay Dalal has introduced various products which included Top Entry Ball Valve, Gate Valve Trunnion Mounted Ball Valves, SDNR, Quick Closing Valve, Automated Valves, Wafer Type Ball Valves & many more which are a sub-type of Ball valves, Gate Valves, Globe Valves, Butterfly Valves, Check Valves, Double Block valves, Strainer Valves and Marine Valves.

Further, to consolidate the business operations, our Company recognized its Registered office and manufacturing unit at the same location. The manufacturing unit is equipped with comprehensive range of standard machineries, including conventional machines, automated CNC machines, automated VMC, automated test benches and EOT cranes, Center Lathe, Milling, Radial Drilling, Bench Grinder, Hacksaw, Hardness tester, Lapping, Arc weld, Air Compressor, Buffing, CNC Super jobber, VMC, Crane, Pallet Truck Lifter, PMI Machine, Testing Machine, etc to support a seamless manufacturing process. The facility ensures adherence to international standards to facilitate smooth assembly process and easy logistics suitable for carrying out our manufacturing operations smoothly and efficiently. By following necessary safety standards and conducting safety meetings, we try to keep our workplace safe.

Our Company, since its incorporation and currently is being promoted by Mr. Gaurav Vijay Dalal. Our Promoter, Mr. Gaurav Vijay Dalal has an overall 22 years of work experience in this industry. Our Promoter manages and controls the overall affairs of our Business Operations with his considerable experience in our Industry. For more details, please see the chapter titled, “*Our Management*” and “*Our Promoter and Promoter Group*” on page 183 and 197 of this Red Herring Prospectus.

Our Company at the time of commencement of business operations started its operations in Chemical & Fertilizers and Pharmaceutical industry and our company then expanded its business operations in marine industry in the year 2016. Our Company had for the first time also received approval from DNV to Manufacture Fire Safe Design Ball Valves as per API 607 in the year 2008. Further, the company had started exports of valves at Dubai to one of its developed brands in 2012, Also, our Company voluntarily or on the request of the customers, undergoes a periodic-tests to match to the requirement of the Customer which is certified by an independent organisation which is valid for certain period to have its quality tested on a timely basis.

Company dealing in Marine Valves ranging in the below pictorial presentation:



Our Company has also been accredited with various quality certifications such as ISO 9001:2015, 14001:2015, ISO 45001: 2018. Through years of field application experience, we have designed products that meet the stringent requirements of today’s flow control in Industry. Quality & Reliability is an Integral part of our practice and culture that guides our actions to deliver Products and Services that are safe and in line of near Zero Emission Technology.

Our technical solutions build precision control systems to ensure longevity in various conditions. Our international standards manufacture valves for critical applications in industries such as Ethanol & Breweries, Shipbuilding, Marine, EPC, OEM, Etc. This distinction not only highlights Rappid Valves' commitment to quality but also provides a competitive advantage over its counterparts. Rappid Valves focuses on technology by manufacturing customised Industrial Valves. Manufacturing, engineering or the manufacturing process, are the steps through which our raw materials are transformed into a final product. Manufacturing process begins with the product design and materials specification from which the quality product is made. The Machines used in our manufacturing facility has the capabilities to process a wide range of valve components in different materials such as carbon steel, alloy steel, stainless steel, duplex and super duplex stainless steel, titanium, nickel alloys, aluminium bronzes etc. The CNC machining capabilities have been powered by Computer Aided Manufacturing (CAM) as a result we continuously endeavour for creating the distinctive machining facility.

VALVE

A valve is a device or natural object that regulates, directs or controls the flow of a fluid (gases, liquids, fluidized solids, or slurries) by opening, closing, or partially obstructing various passageways. Valves are technically fittings, but are usually discussed as a separate category. In an open valve, fluid flows in a direction from higher pressure to lower pressure. Valve is simply a freely hinged flap which swings down to obstruct fluid (gas or liquid) flow in one direction, but is pushed up by the flow itself when the flow is moving in the opposite direction.

COMMON TYPES OF VALVES MANUFACTURED BY OUR COMPANY:

Ball Valve:

Ball valves are quarter-turn valves that use a ball with a hole in it to control the flow of fluid. When the ball is aligned with the pipe, the valve is fully open, allowing unrestricted flow. When the ball is rotated 90 degrees, the hole is perpendicular to the pipe, shutting off the flow completely. Ball valves provide tight shut-off and are commonly used in applications that require quick and reliable on/off control.

Gate Valve:

Gate valves have a sliding gate or wedge that moves perpendicular to the flow to control the fluid. They provide a straight-through flow path when fully open and seal tightly when fully closed. Gate valves are primarily used for on/off applications, as they are not suitable for regulating or throttling flow due to their design. They are commonly used in systems where a full bore with minimal pressure drop is required.

Globe Valve:

Globe valves have a spherical or cylindrical-shaped body with a movable disk or plug that controls the flow by moving up and down or side to side. They are primarily used for regulating or throttling flow as the disk can be positioned to restrict or allow flow. Globe valves offer good flow control characteristics but have a higher pressure drop compared to other valve types. They are commonly used in applications where precise flow control is required.

Check Valve:

Check valves, also known as non-return valves, are designed to allow flow in one direction and prevent backflow in the opposite direction. They operate automatically, allowing fluid to flow when the pressure in the intended direction exceeds the cracking pressure. When the flow reverses, the check valve closes to prevent backflow. Check valves are commonly used to prevent damage to equipment and maintain system integrity by preventing fluid from flowing in the wrong direction.

Butterfly Valve:

These valves play important roles in various industries and applications, and the selection of the appropriate valve depends on factors such as the type of fluid, pressure and temperature requirements, flow characteristics, and system design considerations.

To manage our sales on PAN India basis, we have dedicated Sales team and Customer relation executives handling all the sales from the Registered Office. The Sales team of our Company carries the responsibility of obtaining orders from customers and negotiating with them which is beneficial to the Company, in addition, they actively contribute to our marketing efforts by conducting market research, gathering market information, arranging customer visits. Moreover, since, our Company being MSME Company gives us a significant advantage in working with government companies under the “Make in India” initiative. This allows us to participate in various tenders that are issued through the GEM portal, expanding our opportunities across different sectors.

Our major raw material for Industrial Valves is Metal Casting. Our Company maintains a base of reliable suppliers who consistently provide raw material of appropriate quality as per our requirements. We usually do not enter into long-term supply contracts with any of our raw material suppliers. We majorly procure raw materials from domestic market i.e. from Maharashtra and Gujarat based on the purchases made for the financial years ended March 31, 2024, 2023 and 2022.

We have a team of engineers and professionals with an innovative outlook that can greatly benefit a company's operations. Overall, having a team of engineers and professionals with an innovative outlook and customer-focused approach is a significant asset for any company. Their fresh perspective can lead to new ideas, improved processes, and enhanced efficiency. This, in turn, contributes to the company's consistency and success.



Key Performance Indicators of our Company on the basis of the Restated Financial Statements.

(Rs. in Lakhs except percentages)

| Key Financial Performance | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|-----------------------------|----------------|----------------|----------------|
| Revenue from Operations (1) | 3651.25 | 1639.91 | 1214.11 |
| EBITDA (2) | 735.83 | 233.48 | 194.51 |
| EBITDA Margin (%) (3) | 20.15% | 14.24% | 16.02% |
| PAT | 413.27 | 45.56 | 28.98 |

| Key Financial Performance | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|----------------|
| PAT Margin (%) (4) | 11.32% | 2.78% | 2.39% |
| Return on equity (%) (5) | 53.88% | 31.69% | (82.09)% |
| Return on capital employed (%) (6) | 29.88% | 15.85% | 18.38% |
| Debt-Equity Ratio (times) (7) | 0.90 | 3.18 | (39.67) |
| Current Ratio (times) (8) | 1.48 | 1.04 | 0.80 |

Note: As certified by M/s Vinay Bhushan & Associates, Chartered Accountants through their certificate dated July 11, 2024.

Explanation of KPIS:

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

(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs + Preference shares dividend – Other Income

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

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

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

(6) Return on Capital Employed is calculated as follows: Profit before tax + Finance Costs – Other Income (EBIT) divided by (Tangible Net Worth + Total Debt + Deferred Tax Liabilities)

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

(8) Current Ratio is calculated by dividing Current Assets to Current Liabilities

OUR STRENGTHS

1. Experienced Management team:

Our Company is managed by a team of engineers and professionals led by our key Promoter, chairman and Managing Director, Mr. Gaurav Vijay Dalal, who has over 22 years of overall work experience in this business. We believe our growth strategy in combination with management's demonstrated ability to consistently meet the customers' high expectations for quality and reliability, serves as a foundation for future revenue growth and stable operating profit. The promoter and Senior Management team of our Company has significant industry experience and has been instrumental in the consistent growth of our Company's performance. For further details on education, experience and other details of our Management and Key Managerial Personnel, kindly refer to the Chapter titled "Our Management" beginning on page 183 of this Red Herring Prospectus.

2. Continuous focus on developing novel and innovative products:

For any company, innovation and technical progress are key factors for its success in the long term. Our Company constantly encourages its people to innovate and develop new products for catering to demands of our customers. We are in constant touch with our clients in order to assess their requirements for increasing their process efficiency. This has helped our Company to become a Solution Provider and not just a manufacturing concern.

3. Long Standing Relationship with key Customers & Suppliers:

Our Company enjoys long standing relationship with key Customers & Suppliers. These long standing relationships are result of our commitment to quality, timely delivery, promptness in payments and adaptability etc. We benefit immensely from this. Our business and growth are significantly dependant on our ability to maintain the client relationship. We believe that having many years of experience in the industry and being able to identify these players would give us a competitive advantage in the business segment. These long standing relationship with customers and suppliers have helped in establishing our reputation as a trusted business player in manufacturing industry. As on March 2024, 2023 and 2022, our top 10 customers were 87.76%, 90.90% and 99.80% of total revenue from operations and top 10 suppliers were 76.65%, 79.66% and 68.67% of total purchases. We have long-standing relationships with our customers for whom we have executed repeat orders over an extended period of time and also by offering them after sales services, which we believe have been established and are strengthened by the dedicated infrastructure and our ability to meet Clients' requirements for customized products.

4. Good Standing in marine Industry:

Our Company understands the unique requirements of the marine sector and offers a wide range of valves specifically designed to meet the demanding conditions of marine applications, these valves are manufactured using innovative technologies and adhering to rigorous quality control standards, ensuring that every valve meets the highest industry standards.

The company offers a comprehensive range of valves suitable for various marine applications, including ball valves side entry & top entry, gate valves, globe valves, check valves, butterfly valves etc. These valves are designed to withstand the harsh conditions of the marine environment, such as corrosion, high pressure, and extreme temperatures. Overall, Company's expertise in the marine industry and their commitment to delivering the best quality valves make them a reliable partner for any marine project.

OUR STRATEGIES

1. Continue to invest in our manufacturing capabilities:

Continuously investing in our manufacturing capabilities is a strategic move for our company, by installing and accommodating new automated machines and other additional plant & machineries we will be able to achieve better operational efficiency. These automated machines, such as the vertical machining centre, CNC machines, flatbed CNC machines, and testing machines, will enhance our manufacturing processes and increase our production capacity.

With these upgrades and expansions, we anticipate being able to expand our operations at current location, which will provide us with operational efficiency and support the growth of our business. We are committed to investing in capacity expansions and modernizing our equipment and facilities to stay competitive in the market. Furthermore, we recognize the importance of seeking new venture opportunities, acquisitions, and strategic alliances that are complementary to our business. By actively pursuing such opportunities, we can expand our capabilities in a cost-efficient manner and create value for our stakeholders and customers.

2. Introduce Innovative techniques:

Market research as well as adopting newer technologies, can indeed help improve manufacturing efficiency and product offerings. By continuously improving the products and developing innovative solutions, our company can stay ahead of the competition and meet the evolving needs of customers.

By ensuring the highest quality standards in our products through rigorous testing, Company can minimize defects and customer complaints. This will also help Company identify any potential issues early on and make necessary improvements.

Integrating the latest machines for testing the final products is crucial for maintaining consistency and accuracy. These machines can help measure and evaluate various variables and properties, ensuring that the final products meet the required specifications and industry standards. This will not only enhance the quality of the products but also give us the opportunity to explore different market segments by offering products with unique features.

Overall, our focus on research and development, advanced testing facilities, and innovative product development shows a commitment to continuous improvement and staying competitive in the market.

3. Expand our geographical presence:

Expanding our reach by establishing sales offices in different parts of the country is a strategic decision that can help our company grow and cater to the increasing demand of our existing customers. It also provides an opportunity to acquire new customers.

Setting up sales offices in Dahej, Ahmedabad, Pune, and Noida can help us target customers in these regions more effectively. These locations are known for their industrial and business activities, making them potential hubs for your company's growth. By having offices in these cities, we can establish a local presence, build relationships with customers, and provide better customer support and services.

Overall, expanding our marketing and sales offices to different regions, will position our company for growth, increase customer reach, and enhance customer relationships, ultimately leading to business success, currently company is at the stage of market research for the cities mentioned for the future expansion of its business.

SWOT ANALYSIS –

Strengths:

1. The company has a strong presence and technical expertise in the shipbuilding (Marine) and industrial sectors.
2. Significantly expert personnel with engineering background.
3. Technologically and suited manufacturing facility required for Valves manufacturing.
4. Flexible in accepting new changes and updating our business operations with the market dynamics

Weakness-

1. The industry requires significant capital investment, which can be a challenge for the company, if funds are not invested in the Company from time to time.
2. Company is fully dependent on a single key Promoter of the Company.
3. Leakage of confidential drawings prepared for our valves.

Opportunities –

1. With limited players in the market, there is an opportunity for the company to become a market leader in the marine valve industry.
2. To bring stability in profitability.
3. Sector portfolio diversification.

Threat –

1. Fluctuations in the metal market can pose a threat to the company's operations and profitability. It is essential to have sufficient stock in hand to address sudden surge in metal markets.
2. Change in Government policies can affect the business.
3. Scarce availability of marine valves can lead to import from various countries by the competitors, which affects our business operations.

Overall, the company has several strengths that can be leveraged to capitalize on opportunities in the market. However, it is crucial to address weaknesses and threats to ensure sustainable growth and success.

GEOGRAPHICAL PRESENCE SALES –

Our company have PAN India presence with our clientele base in 18 states and 1 Union territory for our domestic market based on sales made for the financial year ended March 31, 2024, 2023 and 2022. Our revenue from domestic sales was ₹ 3,651.25 Lakhs, ₹ 1,639.19 Lakhs and ₹ 1,210.36 Lakhs, which contributed 100%, 99.96% and 99.69% sales from domestic operations for the financial year ended 2024, 2023 and 2022 respectively and our Revenue from Operations from the exports were 0.72 Lakhs and 3.75 Lakhs for the financial year ended 2023 and 2022 respectively.

For the financial year ended 2024, 2023 and 2022, our Revenue from Operations was ₹ 3,651.25 Lakhs, ₹ 1,639.91 Lakhs and ₹ 1,214.11 Lakhs, respectively. Our EBITDA (earnings before interest, depreciation and tax excluding other income) for the financial year ended 2024, 2023 and 2022 was ₹ 735.83 Lakhs, ₹ 233.48 Lakhs and ₹ 194.51 Lakhs, respectively, while our profit after tax for the financial year ended 2024, 2023 and 2022 was ₹ 413.27 Lakhs, ₹ 45.56 Lakhs and ₹ 28.98 Lakhs, respectively.

Our Customer Footprints in India



State-Wise Domestic Revenue Bifurcation

(Rs in Lakhs)

| Region | FY 2023-24 | | FY 2022-23 | | FY 2021-22 | |
|------------------|---------------------|--------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|
| | Turnover (Domestic) | % to Total turnover (Domestic) | Turnover (Domestic) | % to Total turnover (Domestic) | Turnover (Domestic) | % to Total turnover (Domestic) |
| Maharashtra | 2,335.70 | 63.97% | 1,413.67 | 86.20% | 489.87 | 40.66% |
| New Delhi | 765.70 | 20.97% | 8.35 | 0.51% | - | - |
| Gujarat | 103.58 | 2.84% | 113.06 | 6.89% | 592.62 | 48.81% |
| Odisha | 82.60 | 2.26% | 20.11 | 1.23% | 58.33 | 4.80% |
| Uttar Pradesh | 77.10 | 2.11% | 30.67 | 1.87% | 3.77 | 0.31% |
| Madhya Pradesh | 72.00 | 1.97% | 0.18 | 0.01% | - | - |
| Telangana | 58.36 | 1.60% | - | - | - | - |
| Andhra Pradesh | 57.27 | 1.57% | 2.46 | 0.15% | - | - |
| Karnataka | 51.87 | 1.42% | 0.16 | 0.01% | 13.61 | 1.12% |
| West Bengal | 40.00 | 1.10% | - | - | - | - |
| Haryana | 4.73 | 0.13% | 20.66 | 1.26% | 3.27 | 0.27% |
| Punjab | 0.78 | 0.02% | 23.44 | 1.43% | - | - |
| Goa | 0.76 | 0.02% | - | - | 5.36 | 0.44% |
| Chhattisgarh | 0.49 | 0.01% | - | - | - | - |
| Kerala | 0.32 | 0.01% | - | - | - | - |
| Bihar | - | - | 6.83 | 0.42% | - | - |
| Himachal Pradesh | - | - | 0.31 | 0.02% | 4.44 | 0.37% |
| Tamil Nadu | - | - | - | - | 38.91 | 3.20% |
| Rajasthan | - | - | - | - | 0.17 | 0.01% |
| Total | 3,651.25 | 100% | 1,639.19 | 99.96% | 1,210.36 | 99.69% |

Country-Wise Export Revenue Bifurcation

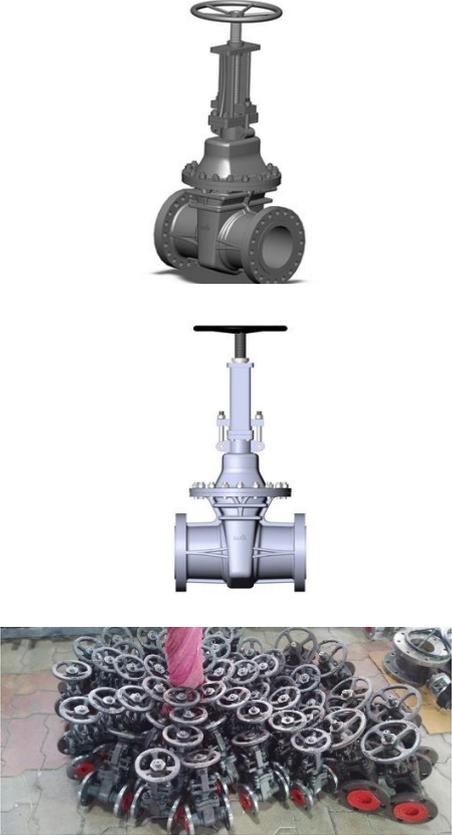
(Rs in Lakhs)

| Region | FY 2023-24 | | FY 2022-23 | | FY 2021-22 | |
|--------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|
| | Turnover (Export) | % to total turnover (Export) | Turnover (Export) | % to total turnover (Export) | Turnover (Export) | % to total turnover (Export) |
| Qatar | - | - | 0.72 | 100% | - | - |
| Colombo | - | - | - | - | 3.75 | 100% |
| Total | - | - | 0.72 | 100% | 3.75 | 100% |

OUR PRODUCTS

We manufacture various types of valves which regulate the flow of fluids for use in various industries. Our primary products include Ball valves, Gate Valves, Globe Valves, Butterfly Valves, Check Valves, Double Block valves, Strainer Valves and Marine Valves. In addition to the valves themselves we also manufacture actuator packages which enable these valves to be controlled from a remote location. We assemble automated valves which consist of valves fitted with actuator packages.

Products with specifications –

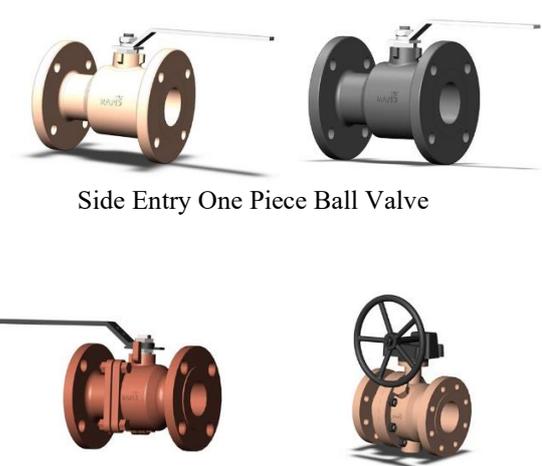
| | |
|--|--|
| <p>Gate Valves</p>  | <p>Gate Valve are used for on/off type control to flow of fluid It is not used for regulating or throttling the flow. The special features of this type of valve is:</p> <ul style="list-style-type: none"> Bypass Arrangement Jacketed Motorised/Actuator <p>The following are the parts of the gate valves:</p> <ul style="list-style-type: none"> Body Bonnet Seat ring Wedge Spindle Gasket Back Seat Bush Stud & nut Cross bolt & nut Gland packing Gland Gland Flange Eyebolt Gear Bolt |
| <p>Globe Valve</p>  | <p>Globe Valve are used for control to flow of fluid. They are used for regulating or throttling the flow process. The special features of the Globe Valves are:</p> <ul style="list-style-type: none"> Bypass Arrangement Jacketed Motorized/Actuators Gear Box <p>The following are the parts of the Globe valves:</p> <ul style="list-style-type: none"> Body Bonnet Seat ring Plug Spindle Plug Nut Stud & Nut Gasket |

| | |
|---|--|
|  | <ul style="list-style-type: none"> Back Seat Gland Packing Cross Bolt Gland Gland Flange Eye Bolt and Nut Grub Screw Yoke Sleeve Hand Wheel Hand Wheel Nut |
|---|--|

Check Valves

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|  | <p>Check Valve are used for preventing back flow and to maintain pressure to flow of fluid They are used in system for Low pressure drop across the valve.</p> <p>The following are the parts of the Swing Check valves:</p> <ul style="list-style-type: none"> Body Seat ring Disc Washer Split Pin Disc nut Hinge Hinge Pin Lock Nut Bracket Stud Bearing Bracket Gasket Cover Stud and Nut |
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Ball Valves

| | |
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|  | <p>Ball Valve are widely used in chemical & Petroleum industry for low and high pressure Piping system. There are two type of Ball valve, Floating Ball Valve and Trunnion Mounting Ball Valve.</p> <p>Special Features of this type of valve are:</p> <ul style="list-style-type: none"> Rotary Actuators Electrical Actuators Gear Box <p>The following are the parts of the Ball Valve:</p> <ul style="list-style-type: none"> Body Side piece Ball Seat ring Stem Gland Body Seal Gland Packing Stem Seal Stud |
|---|---|

Side Entry One Piece Ball Valve

Side Entry Two Piece Ball Valves

| | |
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|  <p>Side Entry Three Piece Ball Valves</p> | <p>Nut Stopper Plate Lever Gland Stud Gland Nut Washer Stem Nut Antistatic Spring Lever Sleeve</p> <p>Our Company manufactures three types of Ball Valves which are listed below:</p> <p>Side entry one piece ball valve Side entry two piece ball valve Side entry three piece ball valve</p> |
|---|--|

| | |
|--|---|
| <p>Butterfly Valves</p> | |
|  <p>Resilient Seated Butterfly Valves</p> <p>High Performance Butterfly Valves</p> | <p>A butterfly valve regulates flow by starting, slowing, or stopping media. The disk opens and closes with a low-torque rotation of 90 degrees and works for any compatible application. This type of valve is lesser in cost and lighter in weight and is often preferred over other types of valves. Butterfly valves are extensively used for handling various liquids. These are designed and tested as per IS: 13095/EN 593 (BS 5155)/API 609/API 598/EN 12266 - 1 manufacturing standards.</p> <p>Features: Require less space, Simple mechanism, Lighter weight compared to other valve types. Quick Operation: Offers rapid on/off functionality, enhancing process efficiency. Minimal Maintenance: Simple construction reduces maintenance needs and costs.</p> <p>Types of butterfly valves: Resilient Seated Butterfly Valves High Performance Butterfly Valves Triple Offset Butterfly Valves</p> |

| | |
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|  | |
| Tripple Offset Butterfly Valves | |

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| Double Block Valves | |
|  | <p>A Double Block Valve is one that blocks pressure, but also allows the cavity of the valve body to bleed that pressure if necessary. Double block is the practice of shutting in a section of pipe on both sides of the valve rather than just one. It means to close the ball valves to block both the upstream and downstream sides of the working area, and then bleed any pressure that remains in the piping and valve. It uses bidirectional seats to isolate the pressure from each upstream, downstream, and valve cavity. these are commonly used in applications where the safety of personnel and equipment is critical, such as in the oil and gas industry, chemical processing, and power generation. They are often installed in high-pressure or high-temperature applications, where the consequences of a failure could be severe</p> |

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| Strainer Valves | |
|  | <p>Strainers are devices which arrest the solids in flowing liquids or gases, and protect equipment from their harmful effects, thus reducing downtime and maintenance. A strainer should be fitted upstream of every steam trap, flowmeter and control valve. The purpose of a strainer is to remove larger, unwanted suspended particles from a liquid, primarily to protect downstream equipment, like pumps, from damage. They come in a variety of shapes and sizes, depending on the application, but one feature is essential – strainers are designed for easy removal and cleaning. Strainers being used in this industry are primarily made of materials such as copper and aluminium because they are resistant to corrosion. There are 4 common types of strainers used for oil and gas filtration. They are simplex strainers, y strainers, basket type strainers</p> |

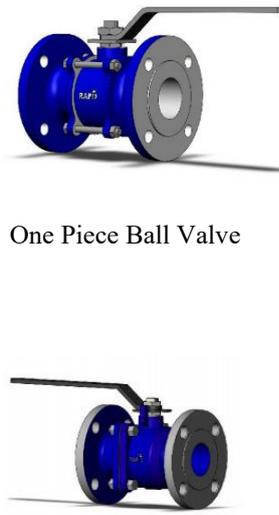
Marine Valves- Types of Marine Valves Include:
Marine Gate Valves

| | |
|--|--|
| | <p>An on/off valve, gate valves are utilized to manage the flow of liquids, such as water and fuel, on ships and offshore structures, offering durability and suitability for high-pressure and corrosive settings. This valve sees extensive use in marine cargo, fuel control, and ballast systems. Gate valves have several advantages, which make them perfect for use in countless applications, whether located above ground or underground.</p> |
|--|--|

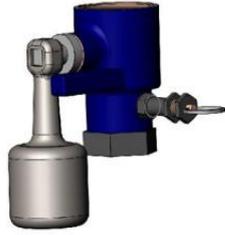
| | |
|---|---|
|  | <p>Their most important advantages is High capacity as they can restrict or allow through a large flow with minimal head loss. The direction of flow is reversible. This valve sees extensive use in marine cargo, fuel control, and ballast systems.</p> |
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| | |
|---|---|
| <p>Globe Valves</p> | |
|  | <p>This has an opening that forms a seat onto which a movable plug, called disk or disc, which can be screwed in to close (or shut), or screwed out to open the valve. Valves offers two varieties of Globe Valves: SDNR, Screw Down Non-Return; SDSL, Screw Down Screw Lift.</p> |

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| <p>Marine Swing Check Valves</p> | |
|  | <p>SWING CHECK VALVES: A basic swing check valve consists of a valve body, a bonnet, and a disk that is connected to a hinge. The disk swings away from the valve-seat to allow flow in the forward direction, and returns to valve-seat when upstream flow is stopped, to prevent backflow. The disc in a swing type check valve is unguided as it fully opens or closes. There are many disk and seat designs available, in order to meet the requirements of different applications. The valve allows full, unobstructed flow and automatically closes as pressure decreases. These valves are fully closed when flow reaches zero, in order to prevent backflow. Turbulence and pressure drop in the swing check valve are very low.</p> |

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| <p>Marine Ball Valves</p> | |
|  <p data-bbox="391 1635 630 1668">One Piece Ball Valve</p> | <p>The floating ball valve is a quarter turn valve which uses a rotating ball with a hole through it, which can be aligned with the flow path (open Position) allowing flow and blocks flow when the ball is rotated by 90 degrees. A floating ball is where the ball is allowed to float against the seals. In normal operation, the ball will float downstream slightly, causing the seating mechanism to compress under the ball pressing against it, thus using the system pressure to increase valve sealing. Ball valves are used for on/off and throttling services.</p> <p>Types of Marine Ball Valves: One Piece Ball Valve Two Valve Ball Valve Three Piece Ball Valve</p> |

| | |
|---|--|
| <p>Two Piece Ball Valve</p>  <p>Three Piece Ball Valve</p> | |
| <p>Marine Butterfly Valves</p> | |
|  | <p>Butterfly valves are generally favored because they cost less than other valve design, and are lighter weight so they need less support. The disc is positioned in the center of the pipe. A rod passes through the disc to an actuator on the outside of the valve. Rotating the actuator turns the disc either parallel or perpendicular to the flow. Unlike a ball valve, the disc is always present within the flow, so it induces a pressure drop, even when open. A butterfly valve is from a family of valves called quarter-turn valves. In operation, the valve is fully open or closed when the disc is rotated a quarter turn. The "butterfly" is a metal disc mounted on a rod. When the valve is closed, the disc is turned so that it completely blocks off the passageway. When the valve is fully open, the disc is rotated a quarter turn so that it allows an almost unrestricted passage of the fluid. The valve may also be opened incrementally to throttle flow.</p> <p>In the case of triple offset valves the seat is made of metal so that it can be machined such as to achieve a bubble tight shut-off when in contact with the disc.</p> <p>Types of Butterfly Valves are as follows:</p> <p>Concentric butterfly valves – this type of valve has a resilient rubber seat with a metal disc.</p> <p>Doubly-eccentric butterfly valves (high-performance butterfly valves or double-offset butterfly valves) – different type of materials is used for seat and disc.</p> <p>Triply-eccentric butterfly valves (triple-offset butterfly valves) – the seats are either laminated or solid metal seat design.</p> |
| <p>Marine Fire Hydrant</p> | |
|  | <p>Fire Hydrant Valves System is an effective and efficient means of extinguishing large fires, Hydrant system enables the fire fighter to attack the seat of the fire from a distance. Hydrant valves are outlets for delivering water with tremendous pressure so as to quench the fire. With discreet use of special branch pipe the water under pressure can also be used as a “sheef” to push the smoke for entering a building in flames. Depending on the type of building i.e., residential, commercial or industrial, a particular type of the hydrant systems i.e., Down comer system, Wet riser system or the Wet Riser cum</p> |

| | |
|---|---|
| | Down comer system, is installed. These systems are designed as per Part IV of National building code for high rise buildings and/or the standards laid down by the Tariff Advisory committee. The pumping facility forms the heart of the fire Hydrant systems. Normally an electrical motor driven and a stand by Diesel engine driven pumps are installed to ensure system functioning even during mains failure. The pump is basically used to lift the water from the reservoir and deliver the same under pressure to the hydrant points for fighting fires. |
| Marine Quick Closing Valves | |
|  | The closing of the valve can be done either manually, hydraulically or even by using compressed air. A typical arrangement consists of wire operated valves with wire pull livers located externally to the machinery space. |
| Marine Sounding Cock Valves | |
|  | SOUNDING COCK VALVES: self-closing sounding cock with end stop with BSP female threaded ends. These self-closing sounding cocks come with a bronze lever with heavy weight for good self-closing functionality. Standard equipped with a brass self-closing test valve. |
| Marine Storm Valves | |
|  | A Storm valve is basically a swing Check valve with a Closing device. The closing device is usually a hand wheel but they can also be actuated. Storm valves are usually found on ships in sanitary piping systems which have a ships side exit. They prevent sea water entering the system during a heavy sea. |

PRODUCT WISE, TOP 5 CUSTOMERS, TOP 10 CUSTOMERS AND B2B AND B2G REVENUE BIFURCATION

Product Wise Revenue Breakup:-

(Rs. in Lakhs except percentages)

| Product Wise Sales | | FY 2023-24 | | FY 2022-23 | | FY 2021-22 | |
|--------------------|-------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Sr No. | Product | Amount (Rs. Lakhs) | % of In Revenue | Amount (Rs. Lakhs) | % of In Revenue | Amount (Rs. Lakhs) | % of In Revenue |
| 1 | Ball Valves | 1,319 | 36% | 469 | 29% | 539 | 44% |

| | | | | | | | |
|---|---------------------|--------------|-------------|--------------|-------------|--------------|-------------|
| 2 | Gate Valves | 676 | 19% | 577 | 35% | 426 | 35% |
| 3 | Globe Valves | 560 | 15% | 340 | 21% | 154 | 13% |
| 4 | Butterfly Valves | 431 | 12% | 59 | 4% | 40 | 3% |
| 5 | Check Valves | 242 | 7% | 132 | 8% | 42 | 3% |
| 6 | Double Block Valves | 206 | 6% | - | 0% | - | 0% |
| 7 | Strainer Valves | 57 | 2% | - | 0% | - | 0% |
| 8 | Other Items | 160 | 4% | 63 | 4% | 14 | 1% |
| | Grand Total | 3,651 | 100% | 1,640 | 100% | 1,214 | 100% |

As certified by M/s. Kava & Associates, Chartered Accountants through their certificate dated July 12, 2024.

Top 5 and 10 customers bifurcation:

(Rs. In Lakhs)

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | | For the year ended March 31, 2022 | |
|------------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|
| | Amount | % of Total Revenue from operations | Amount | % of Total Revenue from operations | Amount | % of Total Revenue from operations |
| Top 5 Customers | 2,624.61 | 71.88% | 1,437.00 | 87.60% | 1,171.20 | 96.50% |
| Top 10 Customers | 3,204.19 | 87.76% | 1,490.20 | 90.90% | 1,199.50 | 99.80% |

As certified by M/s. Kava & Associates, Chartered Accountants through their certificate dated July 12, 2024.

(Rs. In Lakhs)

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | | For the year ended March 31, 2022 | |
|--------------|-----------------------------------|-------------|-----------------------------------|-------------|-----------------------------------|-------------|
| | Amount of Revenue from Operations | % | Amount of Revenue from Operations | % | Amount of Revenue from Operations | % |
| B2B | 3,594.12 | 98.44% | 1,556.48 | 94.91% | 840.64 | 69.24% |
| B2G* | 57.13 | 1.56% | 83.43 | 5.09% | 373.47 | 30.76% |
| Total | 3,651.25 | 100% | 1,639.91 | 100% | 1,214.11 | 100% |

*B2G – Business to Government

As certified by M/s. Kava & Associates, Chartered Accountants through their certificate dated July 12, 2024.

Note: The above figures are provided on the basis of Audited Financial Statements for Financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.

RAW MATERIAL PROCUREMENT

Our company heavily relies on metal casting, which serves as the primary raw material for our industrial valves. These castings, available in different grades of ferrous and non-ferrous materials, are sourced from foundries acting as suppliers to our organization.

Our design department and engineers develop these exclusive designs which are further converted into dies & patterns from vendors. These dies and patterns are crucial assets that we entrust to the foundries to produce valves in various types and materials, precisely catering to the requirements of our Company.

To ensure the utmost quality, our company has established a solid network of reliable suppliers who consistently provide raw materials that align with our specifications. Before engaging in any business activities, all suppliers undergo a thorough audit process conducted by the Company.

To ensure a smooth procurement process, the following steps are typically followed:

1. Issuing Purchase Order: Once the raw material requirements are identified, a purchase order is issued to the vendors. The purchase order specifies the quantity, grade and specifications of the required materials.
2. Checking Grade and Design/Dimension: Upon receiving the order, the grade of the metal and the design/dimension of the castings are checked to ensure they meet the required specifications. This step is important to ensure the quality and compatibility of the materials with your manufacturing process.
3. Goods Received Note (GRN): If the materials pass the quality checks, a Goods Received Note (GRN) is issued. The GRN acknowledges the receipt of the materials and serves as a record for inventory management purposes. The materials are then handed over to the stores for storage and future use in the manufacturing process.

Timely procurement of raw materials is crucial to avoid delays in our manufacturing process. As we rely on external parties for the procurement of raw materials, any delays in the delivery can significantly impact our execution process. To mitigate this risk, it is advisable to maintain a regular stock of raw materials. By keeping an adequate inventory, we can ensure a continuous supply of materials and deliver products to your customers in a timely manner. This proactive approach helps minimize production delays and maintain customer satisfaction.

We source our 100 % raw materials from domestic market i.e. Gujarat and Maharashtra. This strategic decision allows us to benefit from the geographical advantages, ensuring timely delivery of all materials.

The following table illustrates the concentration of our revenues among our top Suppliers:

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | | For the year ended March 31, 2022 | |
|------------------|-----------------------------------|---------------------|-----------------------------------|---------------------|-----------------------------------|---------------------|
| | Amount (in lakhs) | % of total Purchase | Amount (in lakhs) | % of total Purchase | Amount (in lakhs) | % of total Purchase |
| Top 5 Suppliers | 1,576.67 | 54.72% | 825.71 | 65.75% | 472.81 | 57.27% |
| Top 10 Suppliers | 2,208.84 | 76.65% | 1,000.38 | 79.66% | 566.88 | 68.67% |

*As certified by M/s. Kava & Associates, Chartered Accountants through their certificate dated July 12, 2024.

Following is our detailed raw material bifurcation on the basis of domestic source and imports:

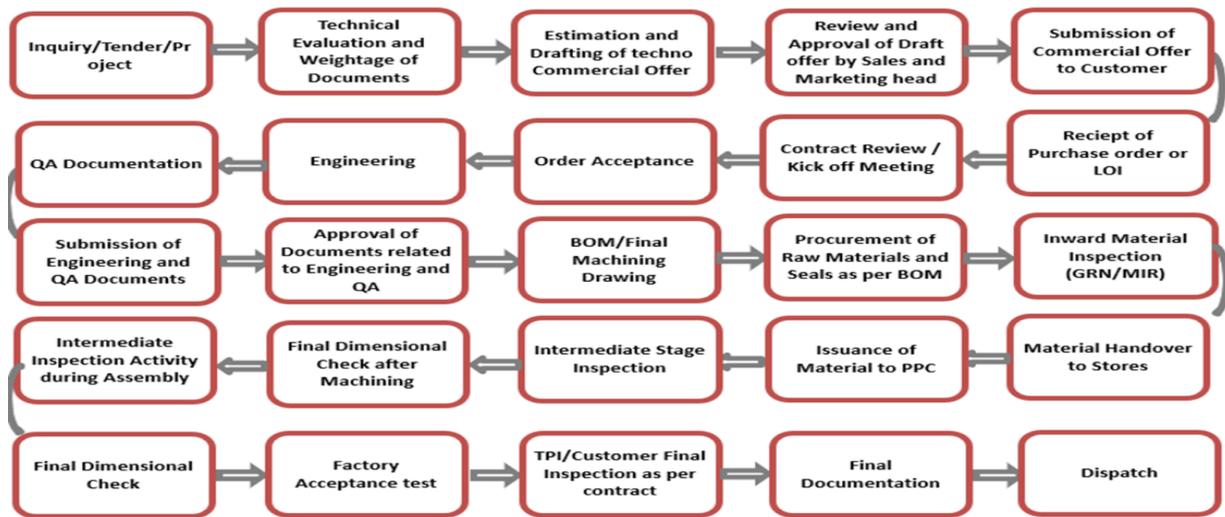
(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | | For the year ended March 31, 2022 | |
|-----------------|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
| | Purchase of Raw Material | % of total Purchase of Raw Material | Purchase of Raw Material | % of total Purchase of Raw Material | Purchase of Raw Material | % of total Purchase of Raw Material |
| Domestic Source | 2,881.56 | 100% | 1,255.85 | 100% | 825.53 | 100% |
| Imports | - | - | - | - | - | - |
| Total | 2,881.56 | 100% | 1,255.85 | 100% | 825.53 | 100% |

*As certified by M/s. Kava & Associates, Chartered Accountants through their certificate dated July 12, 2024.

OUR MANUFACTURING PROCESS

A diagrammatic representation along with the detailed description of our order receipt and execution is as under:



The process broadly consists of the following steps:

1. **Inquiry:** With the help of the marketing strategies, Company receives inquiries for purchase of valves mentioning size/type and other technical requirements like pressure rating, etc as per their industry requirement and end use.
2. **Technical Evaluation and weightage of documents:** Our Technical Team Evaluates the inquires received in coordination with other departments like production, design, quality, purchase & finance and provides a list of documents required for their official engagement with Company.
3. **Estimation and drafting of techno commercial offer:** Once, a positive response is received from all the departments then operations team prepares a draft techno commercial offer and submits the same to sales team for further initiation of the engagement.
4. **Review and approval of Draft Offer by Sales and Marketing Head:** Our sales team reviews the techno commercial offer and submits the bid to the customer after taking into account the previous margins and sales with the same customer.
5. **Purchase Order or Letter of Intent (LOI):** Once we receive the purchase order or LOI from the customers, we start working on the project as per the customer specification.
6. **Engineering:** Engineering team analyses on the specifications to be used to manufacture a valve which shall be as per the customer's requirement, keeping in account the industry standards applicable for such specifications.
7. **Order acceptance:** Once, engineering team has analysed the specifications as per Customer's requirement, the operations and engineering team shall provide their official confirmation on order acceptance.
8. **Contract Review and Kick Off meeting:** Each order being received is considered as fresh order by our company. A kick off meeting is initiated where all the departments come together and discuss and plan the execution process of the order.
9. **Order Acceptance:** After the meeting is done and execution plan is discussed and if everything is found to be in order, we give acceptance to customer and initiate the project.
10. **Engineering & QA Documentation:** Our production starts with design preparation. If we already have product dies/pattern with us, procurement process starts.
11. **Final Machining Drawing:** If the engineering team does not have the dies/patterns for a certain specification, the first the design is prepared through software and order is placed for new patterns and preparation of documentation for quality assurance takes place.
12. **Procurement of Raw Material and Seals as per Bills of Material (BOM)-** Procurement of raw material is the most important step of execution as timely delivery of order will always depend on timely receiving of raw materials and other related items for machining.

13. **Inward Material Inspection-** Once the order is received, the grade of the metal and design/dimension of the castings are checked. After checking and if found everything in order, Goods Received Note (GRN) is issued and the materials are handover to stores.
14. **Intermediate Inspection Activity during Assembly:** There are timely checks at every stage of the manufacturing activity and also random checks are done and testing is conducted to check the quality of the valves.
15. **Final dimensional check after machining:** A final check is also conducted to ensure that the quality is retained throughout the process and the final product has maintained the specifications and customer's requirement.
16. **Issuance of Material to production Planning Team-** Our Production Planning Team submit request to the store department for issuance of material and receive the same. Before the machining and production process gets start, our team inspect the material and align it to the different machines like CNC (Computer Numerical Control)/ VCM (Vertical Milling Centre) machines for machining and production process.
17. **Final Dimensional Check after machining-** Once the machining process is done, the team checks the dimension of each and every Valve to be manufactured.
18. **Assembly-** After all the checking is done, the valves are transferred to the assembling area. Assembling takes place on manual basis where labourers assemble all the parts of a valve as per design to make the final product. Once the assembling of the product is complete the dimensions of the valves are rechecked by the team members and submitted for painting and factory acceptance test where the pressure ratings and other technical parameters are checked by the team members.
19. **Factory Acceptance Test –** Once the assembling is completed, production team and other departments involved in the manufacturing gives a final check on the same and testing result is issued to ensure that the product is ready for dispatch.
20. **Final Inspection as per the Contract-** Once the product is ready and complete in all aspect and as per the customer specification, it is kept in a separate area for customer inspection if it is mentioned in the contract as a term to inspect. Once the customer approves the product, it is then packed into boxes and are kept ready for dispatch.
21. **Dispatch:** Once the product is ready for dispatch, transporter is contacted or Customer sends the transportation to have the products dispatched and dispatch note or any other documentation required is completed from dispatch team.
22. **Payment:** Once the product is dispatched and received by the customer our sales team members starts follow up for the payment as per the Purchase order terms.

This process ensures that customer inquiries are handled efficiently, orders are executed according to specifications, and quality assurance measures are implemented throughout the production cycle.

Valve Designing Process

The process of industrial valve designing involves several important considerations, including the selection of appropriate materials, valve type, size, shape, and various functional requirements. Here are some key aspects to consider when designing industrial valves:

1. **Fluid Characteristics:** Understanding the characteristics of the fluid that the valve will handle is crucial. Factors such as pressure, temperature, viscosity, corrosiveness, and flow rate must be carefully analysed to ensure the valve can withstand the conditions and operate effectively.
2. **Valve Type:** There are various valve types available, including gate valves, globe valves, ball valves, butterfly valves, check valves, etc, among others. Each type has specific advantages and limitations, and the selection depends on the application requirements.
3. **Materials Selection:** The choice of materials for valve construction is critical to ensure compatibility with the fluid and operating conditions. Common materials used include stainless steel, cast iron, bronze, carbon steel, and exotic alloys. The selected material should possess the necessary corrosion resistance, mechanical strength, and temperature tolerance.

4. **Design Considerations:** Valve design must consider factors such as pressure drop, flow characteristics, actuation requirements, leakage prevention, and maintenance accessibility. The design should optimize flow efficiency, minimize pressure losses, and provide reliable shut-off capability.
5. **Standards and Regulations:** Industrial valves are subject to various industry standards and regulations to ensure safety and performance. Compliance with standards such as API, ASME, ISO, and specific industry codes is essential.
6. **Testing and Validation:** Rigorous testing and validation procedures are crucial to ensure the performance, reliability, and durability of industrial valves. Prototype testing, material analysis, pressure testing, and functional testing are some of the common methods used to verify valve performance.
7. **Manufacturing Considerations:** Valve designs should be optimized for efficient manufacturing processes, considering factors such as ease of fabrication, assembly, and cost-effectiveness. Collaboration with manufacturing teams is important to ensure feasibility and scalability of the design.
8. **Maintenance and Serviceability:** Valves require periodic maintenance and servicing. Designing valves with features such as easy access to internals, replaceable parts, and clear identification of wear components helps in reducing downtime and improving overall system reliability.

In conclusion, industrial valve designing is a multidisciplinary process that involves careful consideration of fluid characteristics, materials selection, design factors, standards compliance, testing, and manufacturing considerations. A well-designed valve ensures safe, reliable, and efficient operation in various industrial applications, contributing to the overall productivity and success of industrial systems.

Additionally, the team's ability to assist customers throughout the entire product development process is valuable, from helping customers choose the right materials to manufacturing products according to their design, their expertise ensures that the customers' needs and specifications are met. This level of support builds trust and fosters strong relationships with customers.

Their contribution can lead to continuous improvement, customer satisfaction, and ultimately, business growth.

PLANT AND MACHINERY

Following are the details of the key equipment being used for Manufacturing business in individual units:

| Sr. no. | Machine Type | Nos. | Description | Owned/ Leased | Capacity | | |
|---------|---------------------|------|--|---------------|---------------------------|----------|--------------------|
| | | | | | Operating Capacity | Power HP | Bed Length |
| 1. | CNC Lathe-Automated | 4 | Automated center turning machines used to remove the metal in a circular fashion | Owned | 1/2" to 6" | 7.5 HP | 250 x 350 mm |
| 2. | CNC Lathe-Manual | 4 | Metal center cutting machines used to Remove the metal in a circular fashion | | 1/2" to 12" | 3HP | 450 x 1500 mm |
| 3. | VMC Machine | 1 | Vertical Automated Turning Machines | | 1/2" to 14" | 7.5 HP | 800 x 500 x 700 mm |
| 4. | Testing Machine | 2 | Testing Leakage Under Certain Pressure | | 1/2" (150#) to 14" (600#) | 3 HP | 600 mm |
| 5. | IOT Crane | 1 | To Move Material within the Factory by Lifting | | 5 Ton Maximum Load | 5 HP | - |
| 6. | Mobile Crane | 1 | To Move Material within the Factory by Lifting | | 1.5 Ton Maximum Load | - | - |
| 7. | Drilling Machine | 2 | For Drilling Wholes | | 3 mm to 48 mm | 2.5 HP | 700 x 1000 mm |
| 8. | Milling Machine | 1 | Cutting metal manually with precision and | | 300 x 700 x 1200 | 2 HP | 300 x 1300 mm |

| | | | | | | | |
|-----|--------------------|-----------|-------------------------------------|--|-------------------------|--------|----------------------------|
| | | | making a work-piece | | | | |
| 9. | Band Saw Machine | 2 | Cutting Bars, Circles, Billets Etc. | | 250 mm Maximum | 1HP | 250 mm |
| 10. | PMI Machine | 1 | For Chemical Material Analysis | | Material Testing | - | - |
| 11. | Paint Booth | 2 | Painting of Products | | 20" Valves can be paint | 5 HP | 1800 x 2400 mm |
| 12. | Lapping Machine | 1 | For Matching Gate/Globe Wedges | | 11/2" to 14" | 2 HP | 1000 x 1000 |
| 13. | Marking Machine | 2 | Tagging & Marking | | Labeling machine | - | 300 x 300 mm |
| 14. | Hardner Taster | 1 | To Check Metal Hardness. | | 500 BHN | - | 100 x 100 mm |
| 15. | Air Compressor | 1 | For Air to Power Machines | | 12.30 kg/ cm2 | 3.5 HP | 12.30 kg / cm ² |
| 16. | Pallet Truck | 3 | To Move Material Within the Factory | | 2 Ton Capacity | - | 550 x 1200 mm |
| | Grand total | 29 | | | | | |

Note: as certified by Chartered Engineer Mr. Santosh R Jaiswar vide Certificate dated June 24, 2024.

OUR MANUFACTURING FACILITIES

Our Company has a manufacturing facility situated at:

| Unit Name | Address |
|------------------------|--|
| Manufacturing Facility | Genesis Industrial Complex, Plot No. 30 and 31, Village Kolgaon, Palghar (East), Thane, Maharashtra, India |

For further details, kindly refer to the section titled; "Our Properties" mentioned below.

Following are some pictures of areas covered in our manufacturing facilities:



Front view of office



Side view of office premises



Entrance of the company-Reception



Conference room of Company



Design Team



Quality Control Department



Paint Shop-painting of valve



Manufacturing Unit internal premises along with various machines both manual and automated



Workers working on CNC machines



Automated Test bench machine



Laser machine



Fire Testing



Testing Facility



Marine Valves Precision Machining



CNC and VMC Machine



Final Products



Marine Valves



Top Entry Marine Ball Valves

CAPACITY AND CAPACITY UTILISATION

Installed & Capacity utilization details of our production facilities for the last three financial years are entailed below:

| Sr. No. | Products | Installed Capacity (In Nos.) | Actual production (in Nos.) | Utilization Rate |
|---------|--------------------------------|------------------------------|-----------------------------|------------------|
| 1. | Year- April 2023 to March 2024 | | | |
| | Industrial and Marine Valves | 29625 | 25181 | 85.0% |

| | | | | |
|----|---------------------------------------|-------|-------|-------|
| 2. | Year- April 2022 to March 2023 | | | |
| | Industrial and Marine Valves | 22000 | 12870 | 58.5% |
| 3. | Year- April 2021 to March 2022 | | | |
| | Industrial and Marine Valves | 11250 | 7260 | 64.5% |

Note:

1. Capacity utilization has been calculated on the basis of actual production during the relevant fiscal year/ period divided by the aggregate installed capacity of relevant manufacturing facilities as of at the end of the relevant fiscal year/ period.
2. The above information is furnished on the basis of data provided and internal estimates and assumptions.
3. The above information is certified by chartered engineer, Mr. Santosh R Jaiswar vide their certificate dated June 24, 2024

We intend to use the Net Proceeds towards purchase of certain Plant and machineries at our existing manufacturing facility situated at Thane, Maharashtra. The rationale behind the same is as follows:

Our Company has made significant progress in improving its production capabilities by investing in automated machines like CNCs, VMC and testing machines. This move has helped in increasing our installed capacity and production efficiency. Capacity utilization of our plant increased to ~85% in the financial year 2023-24 from ~58.5% in the financial year 2022-23 due to increased business activities.

However, the company still faces challenges due to its reliance on conventional machines like lathe turning center, drilling, and milling machines, which are time-consuming and can lead to inefficiencies, increased chances of failure, and reduced consistency in workmanship due to operator fatigue.

To address these challenges and further enhance productivity, quality & efficiency, it is crucial for our Company to continue its technology upgradation efforts and automate more areas of its production process. By reducing human effort and increasing automation, the company can improve precision, ensure timely deliveries, enhance planning, and reduce dependency on manual labour.

Investing in advanced technologies and automation solutions can help our Company streamline its operations, increase productivity, and maintain high-quality standards consistently. By embracing automation and reducing human intervention where possible, the company can position itself for sustainable growth and success in the competitive market.

PRICING

We determine the prices for our products based on various parameters, including market demand, transportation costs, supply costs, inventory levels, credit terms. Our pricing decisions are made after considering the costs associated with product development, manufacturing, materials, labour, overhead, and other relevant expenses.

UTILITIES

Our Registered Office and Manufacturing Facilities are both located in Thane, Maharashtra. They are well equipped with computer systems, internet connectivity, other communication equipment and other facilities which are required for our Business Operations to function smoothly. Our Office and Factories are well equipped with requisite utilities and facilities including the following:

Power

Our manufacturing process requires uninterrupted supply of Electricity & Gas in our manufacturing facilities. We consume a substantial amount of power and fuel for our Business Operations. The requirement of power for our operations is met through Maharashtra State Electricity Board's distribution source, both at our manufacturing facility and registered office and the same is sufficient for our day-to-day functioning. To meet exigencies in case of power failure, we have also installed Deisel Generator sets at our manufacturing facilities.

Water

Water required for the manufacturing and allied process is procured through the tube well.

CUSTOMERS, SALES AND MARKETING

The efficiency of the marketing and sales team is critical to the success of our Company. Our success lies in strengthening our relationship with our customers who have been associated with us for a long time. Our end consumers being industries or business houses, we require to visit them on regular basis. Mr. Gaurav Vijay Dalal, with his vast experience and good rapport with clients is active in business development activities. Timely and delivery of quality products plays an instrumental role in creating and expanding a work platform for Rappid Valves. To retain our customers, our marketing team, which includes persons with a very vast experience regularly interacts with them and focuses on gaining an insight into the additional needs of such customers.

LOGISTICS

Our suppliers directly deliver raw materials to our manufacturing facilities. We outsource the delivery of our products to either third-party logistic companies or as mutually agreed shipment terms as decided with the customers. We instruct the delivery companies to collect products from specified locations and deliver to our customers in accordance with their orders.

COMPETITION

We Operate in a competitive environment with limited manufacturers qualifying to supply to the maritime defence industry can be both challenging and advantageous. The valve sector, in particular, experiences competition from a diverse range of players, and large established entities. Despite a few acquisitions within the industry, the valve market remains fragmented.

Fortunately, our company's demand position is strengthened by certain requirements imposed by purchasers. These requirements ensure that only manufacturers with significant experience and technical expertise are eligible to obtain inquiries. By successfully meeting these requirements and delivering valves according to stringent quality procedures and timelines, your company has qualified for limited tenders published by various shipyards.

It is important to note that the marine industry, demands high-quality products and timely delivery due to significant stakes involved and the application of major liquidated damages caused by shipyards. Our company's experience in marine valve manufacturing allows us to meet these demands and provide the necessary assurance to shipyards.

INFORMATION TECHNOLOGY

Having an appropriate Information Technology Infrastructure is indeed crucial for supporting the growth of a business, especially in today's digital age. Our Company's manufacturing facility is connected to a central IT network, as it enables you to monitor operations and manage your supply chain effectively.

The integration of an Enterprise Resource Planning (ERP) system further enhances your operational efficiency and data analysis capabilities. ERP systems provide a centralized platform that integrates various business processes, such as inventory management, production planning, sales, and finance. This integration allows for better coordination and communication across different departments, leading to improved productivity and decision-making.

Some key benefits of having a well-integrated ERP system:

1. **Streamlined Operations:** An ERP system helps automate and streamline various processes, reducing manual effort and improving efficiency. This includes functions like order processing, inventory management, production scheduling, and quality control.
2. **Data Analysis and Reporting:** ERP systems provide real-time access to accurate data, allowing for better analysis and reporting. This enables Company to make informed decisions based on reliable information, identify trends, and forecast future demand or supply requirements.
3. **Supply Chain Management:** With an integrated ERP system, we can effectively manage the supply chain by tracking inventory levels, optimizing procurement, and coordinating with suppliers. This helps eliminate bottlenecks, reduce lead times, and enhance overall supply chain efficiency.

REPAIR AND MAINTENANCE

Rappid valves have a proactive approach to repair and maintenance for its manufacturing facilities. Regular maintenance and timely repairs are essential to ensure the smooth operation of machinery and prevent unexpected breakdowns that can disrupt production.

Our machinist ensures regular repair and maintenance for both machinery and electrical systems. Conducting periodic inspections and maintenance programs can help identify potential problems early on and prevent costly downtime. If at all any major problem identified we outsource machine repairing from professionals.

Overall, prioritizing repair and maintenance activities demonstrates a commitment to operational efficiency and the longevity of your manufacturing facilities.

QUALITY CONTROL

Quality is a cornerstone of our Company's Business Operations. The company follows stringent quality control procedures, leaving no room for compromise. Every Product is rigorously inspected to ensure it meets or exceeds the highest industry standards.

Since decades of years, our Company is renowned for its Quality and Reliability. The Company produces Valves of a quality with superior performance. The company has an equipped factory with latest equipment to produce Valves of highest standards. This has enabled standardization and selecting quality system, the Company has been covered under ISO 9001:2015, 14001:2015, ISO 45001: 2018 and is also an IBR approved and API607 fire safe design Ball Valves, Type approvals for various marine valves approved company.

Also, our Company voluntarily or on the request of the customers, undergoes a periodic-tests to match to the requirement of the Customer which is certified by an independent organisation which is valid for certain period to have its quality tested on a timely basis.

We believe our long-term success depends on our ability to deliver excellence in both perceived and realized value of our products and services to our customers. In our culture, "Quality in everything we do" is the only acceptable behaviour. We recognize that quality is a never-ending process of improvement and our focus is directed towards achieving and exceeding customer expectations and conformance to their changing requirements.

ENVIRONMENT, HEALTH & SAFETY

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes and employee health and employee safety. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, see "Government and Other Statutory Approvals" beginning on page 218 of this Red Herring Prospectus.

HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. We believe that a well-trained, motivated and satisfied employee base is key to our competitive advantage. We believe that we have a qualified and experienced employee base, managed by Medium and Senior Management Personnel.

As on, June 30, 2024, we have employed 47 personnel at our Manufacturing Plant and Registered Office. The permanent employees at our manufacturing unit includes personnel in manufacturing activities such as machine operations, assembling, maintenance & electrical and testing of products, quality assurance, and receipt and dispatch of materials and also working in other departments apart from manufacturing as detailed below. We do not hire contract labourers in our Manufacturing Facilities. The following table sets forth a breakdown of our permanent employees by function as on the date of June 30, 2024:

| Sr. no | Category | No of Employees |
|--------------|--|-----------------|
| 1. | Production Department | 31 |
| 2. | Design and Development | 1 |
| 3. | Admin & Human Resource Department | 3 |
| 4. | Accounts & Finance Department | 3 |
| 5. | Sales Department | 2 |
| 6. | Quality Assurance and Quality control Department | 3 |
| 7. | Purchase & store Department | 4 |
| Total | | 47 |

EXPORT AND EXPORT OBLIGATIONS

As on date of this Red Herring Prospectus, our Company does not have any export and export obligations.

COLLABORATION

As on date of this Red Herring Prospectus, our Company has not entered into any Technical or Financial Collaboration Agreements.

INSURANCE

Our operations are subject to various risks inherent in our Industry. We have obtained insurance in order to manage the risk of losses from potentially harmful events regarding any property. These insurance policies are renewed periodically to ensure that the coverage is adequate.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such Insurance Companies. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

| Sr. No. | Name of the Insurance Company | Type of Policy | Validity Period up to | Policy No. | Sum Insured (₹ in Lakhs) | Premium p.a. (₹ in Lakhs) |
|---------|-------------------------------------|--|---|--------------------|--------------------------|---------------------------|
| 1. | Reliance General Insurance Co. Ltd. | Burglary and House Breaking Insurance Policy | From 16/09/2023(00:00) 'To midnight on 15/09/2024 | 110522329110000698 | 650.00 | 0.09 |
| 2. | Reliance General Insurance Co. Ltd. | Reliance Laghu Business YourChoice Policy | From 00:01 Hours on 16/09/2023 To Mid-night of 15/09/2024 | 110562321260041164 | 1,650.00 | 0.85 |

PROPERTIES

Owned Properties:

| Address | Seller | Date of Agreement of Sale | Area | Consideration (Amount in ₹) | Purpose |
|--|----------------------------|---------------------------|------------------|-----------------------------|--|
| Genesis Industrial Complex, Plot No. 30, Village Kolgaon, Palghar (East), Thane, | Varsha Industrial Township | March 31, 2006 | 15,876.77 Sq. Ft | Rs. 9,35,350/- | Registered Office & Manufacturing Facility |

| Address | Seller | Date of Agreement of Sale | Area | Consideration (Amount in ₹) | Purpose |
|---|----------------------------|---------------------------|-------------------|-----------------------------|------------------------|
| Maharashtra, India | | | | | |
| Genesis Industrial Complex, Plot No. 31, Village Kolgaon, Palghar (East), Thane, Maharashtra, India | Organisers Private limited | | 16,554.89 Sq. Ft. | Rs. 9,75,650/- | Manufacturing Facility |

INTELLECTUAL PROPERTY

For further details please see the chapter titled “Government and Other Statutory Approvals” on page 218 of this Red Herring Prospectus.

| Sr. No. | Brand Name/Logo Trademark | Class/Temp# | Nature of Trademark/Copyright and registration number | Owner | Date of Registration/ Application & Validity | Status of Trademark |
|---------|---|-------------|---|---------------------------------------|--|---------------------|
| 1. |  | Class: 6 | Nature of Trademark: Device “Rappid” Application Number: 5191051 | Rappid Valves (India) Private Limited | Date of Application: October 28, 2021 | Registered |

Domain Name

| Sr. No | Domain Name and ID | Sponsoring Registrar and ID | Registrant Name, ID and Address | Creation Date | Registry Expiry Date |
|--------|--------------------|---|---|----------------|----------------------|
| 1. | rappidvalves.in | Endurance Digital Domain Technology LLP | Endurance Digital Domain Technology LLP | March 25, 2021 | March 25, 2025 |

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Statutory Approvals” on page 218 of this Red Herring Prospectus.

THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder. The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

SEBI REGULATIONS:

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

TAX RELATED REGULATIONS

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states.

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place

outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes and Customs under the Ministry of Finance

State Tax on Profession, Trades, Callings and Employment Rules, 1975

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

BUSINESS/TRADE RELATED LAWS/REGULATIONS

Indian Boilers Act, 1923&Indian Boiler Regulation ,1950&Maharashtra Boiler Rules ,1962

Indian Boilers Act, 1923 defines Boiler ,Boiler means any closed vessel exceeding 22.75 liters in capacity which is used expressly for generating steam under pressure and includes any mounting or other fitting attached to such vessel, which is wholly or partly under pressure when is shut off. The valve in a boiler has several important functions. It regulates the flow of water or steam, ensuring proper pressure and temperature levels. It also acts as a safety measure, automatically closing to prevent overpressure situations and potential damage. Additionally, the valve allows for the isolation of specific sections of the boiler system for maintenance or troubleshooting purposes. So this act requires drawings for valves to be manufactured should be submitted to the proper officer along with prescribed fees & approval should be obtained before commencement of manufacturing. Valves should be offered for inspection at various stages of manufacture as laid down in appendix "J" of Indian Boiler Regulation 1950. No Welding/repair on the Valves should be done unless prior permission from the Director of Steam Boilers, Maharashtra State is obtained. As per rule 152(3) of Maharashtra Boiler Rules 1962, any change in Production/Quality Control related staff should be immediately informed to this office. As per rule 155 of Maharashtra Boiler Rules 1962, approval may be withdrawn if It is revealed that this approval is obtained by furnishing incorrect or false information & no manufacturing activity is carried out for a continuous period of six months. Application for renewal of this approval should be submitted to this office at least one month in advance of its expiry date.

The Bureau of Indian Standards Act, 2016 (“BIS Act”)

The BIS Act, establishes, publishes and regulates national standards to ensure conformity assessment, standardization, and quality assurance of goods, articles, processes, systems and services. The BIS Act empowers the Bureau of Indian Standards to inspect and monitor the quality of goods and materials to ensure conformity with the BIS Act. In furtherance of such powers, the officials may inspect the premises for evaluating a manufacturer’s compliance with use of standard marks. The BIS Act also enables the central government to appoint any authority to verify the conformity of products and services to a standard and issue certificate of conformity. Further, the BIS Act sets out inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard. Under the BIS Act, such products may be recalled from the market.

National Steel Policy 2017 (“Nsp 2017”)

The NSP 2017 seeks to enhance domestic steel production with focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. The NSP 2017 aims to creating environment for attaining (i) Self-sufficiency in steel production by providing policy support and guidance to private manufacturers, MSME steel producers, CPSES and encourage adequate capacity additions; (ii) Development of globally competitive steel manufacturing capabilities; (iii) Cost-efficient production and domestic availability of iron ore, coking coal and natural gas; (iv) Facilitate investment in overseas asset acquisitions of raw materials; and (v) Enhance domestic steel demand. The intent is to strengthen the research and development of

national importance in the iron and steel sector by utilizing tripartite synergy among industry, national research and development laboratories and academic institutions. The NSP 2017 covers, inter alia, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, water, power, infrastructure and logistics, and environmental management.

Steel and Steel Products (Quality Control) Order, 2020 (“Quality Control Order”)

The Quality Control Order was notified by Ministry of Steel and published in Official Gazette of India on May 27, 2020 in supersession of the earlier issued Steel and Steel Products (Quality Control) Order, 2018 and its amendments thereto. The Quality Control Order provides that every steel and steel products shall bear a standard mark under the license given by Bureau of Indian Standards (the “BIS”). Also the BIS shall be the certifying and enforcing authority in respect of steel and steel products. Any person who contravenes any of the provisions of this order shall be punishable under the provisions of the Bureau of Indian Standards Act, 2016. Further, the Quality Control Order

provides schedule of Indian Standards to be followed with respect of various steel and steel products.

Guidelines for Implementation of Scheme of National Projects (“NP Scheme”)

The NP scheme has been approved by the Government of India with a view to expedite completion of identified national projects for the benefit of the people. The identified national projects will be provided financial assistance by the Government of India in form of Central grant which will be 90% of the estimated cost of such projects for their completion in time bound manner.

The Aluminium (Control) Order, 1970

The Central Government in exercise of the powers conferred by Section 3 of the Essential Commodities Act, 1955 (10 of 1955), made the Aluminium (Control) Order, 1970.

REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified

sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

Laws related to Overseas Investment by Indian Entities:

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

LAWS RELATED TO ENVIRONMENTAL LAWS

Environment (Protection) Act, 1986 as amended ("EPA")

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants in to water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

The Air (Prevention & Control of Pollution) Act, 1981(the "Air Act")

One Central Pollution Control Board, as well as state pollution control boards formed under water act shall be deemed to be Central Board & State Board for the Prevention and Control of air Pollution. The Air Act prohibits that No person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

National Environmental Policy, 2006

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

The Wetlands (Conservation and Management) Rules, 2017

The Wetlands (Conservation and Management) Rules, 2017 aims to conserve and manage wetlands, including lakes, ponds, and other water bodies. The Rule provides guidelines for the identification, protection, and restoration of wetlands across the country.

National Green Tribunal (NGT) Act, 2010

National Green Tribunal (NGT) Act, 2010 has jurisdiction over cases related to environmental protection and pollution control, including disputes or violations concerning the establishment and operation of Effluent Treatment and Recycling plants. The NGT can issue orders and directives to ensure compliance with environmental laws and regulations.

LAWS RELATING TO INTELLECTUAL PROPERTY

Trademarks Act, 1999

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

Designs Act, 2000

The Designs Act, 2000 along with the Design Rules, 2001 (“Design Laws”) govern design protection in India. The Design Laws were enacted to protect new or original designs from getting misappropriated. A design can only be registered under one specific class. The registered proprietor of the design shall have a copyright in the design for ten years which is extendable for another five years. The Design Laws permit the proprietor to file a suit for recovery of damage and as well as an injunction in the event of piracy of a registered design.

LAWS RELATED TO EMPLOYMENT OF MANPOWER:

The Factories Act, 1948 (“Factories Act”)

The term ‘factory’, as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act, 1948, as amended by the Factories Act, 1987, served to assist in formulating national policies in India with respect to occupational safety and health in factories and docks in India. The Factories Act mandates the ‘occupier’ of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Maharashtra Factories Rules, 1963

As per Maharashtra Factories Rules, 1963, no manufacturing process shall be carried out in any premises of a factory constructed, reconstructed or extended or in any premises which has been taken into use as a factory or part of a factory until a certificate of stability issued by a competent person in respect of every work of engineering construction in the Form 1-A has been sent by the Occupier of the factory to the Chief Inspector of Factories, and approved by him. Provided that, for the factories, which are in existence on the date of the notification of these

rules, the certificate of stability in Form 1-A, may be sent to the Inspector of Factories within 3 months from the date of notification: Provided further that no manufacturing process shall be carried out in any premises of a factory unless a fresh certificate of stability in Form 1-A is obtained from a competent person once in each period of 5 years or after extension, alteration, repairs or addition of any work of engineering construction or replacement or addition of machinery, plant, etc., and sent to the Chief Inspector.

In every factory where highly flammable liquid or flammable compressed gas is manufactured, stored, handled or used, appropriate and adequate means of fighting a fire shall be provided. The adequacy and suitability of such means which expression includes the fixed and portable fire extinguishing systems, extinguishing materials, procedures and the process of fire fighting, shall be to the standards and levels prescribed by the Indian Standards applicable, and in any case not inferior to the stipulations under Rule 71-B.

Code on Wages, 2019

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few section of the Code has yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

*The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Employees State Insurance Act, 1948, as amended (the "ESIC Act")

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 ("MWA Rules")
- Public Liability Insurance Act, 1991 ("PLI Act")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labour Regulation and Abolition Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

OTHER GENERAL REGULATIONS

State Laws

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of

fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Approvals from Local Authorities

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Other regulations:

Apart from the above list of laws – which is inclusive in nature and not exhaustive – general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

PROPERTY RELATED LAWS

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

HISTORY AND CERTAIN CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our company was originally formed as a Private Limited Company under the name “*Rapid Valves (India) Private Limited*” under the provisions of the Companies Act, 1956 and Certificate of Incorporation was issued by the Registrar of Companies, Mumbai on May 24, 2002. Subsequently, the company changed its name to “*Rapid Valves (India) Private Limited*” vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on January 24, 2009 and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Mumbai on February 10, 2009. Subsequently, the status of the Company was changed to Public Limited and the name of our Company was changed to “*Rapid Valves (India) Limited*” vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on January 31, 2024. The fresh certificate of incorporation consequent to conversion was issued on June 20, 2024 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U74999MH2002PLC135992.

Mr. Gaurav Vijay Dalal and Ms. Usha Vijay Dalal were the initial subscribers to the Memorandum of Association of our Company. Mr. Gaurav Vijay Dalal is the current Promoter of our Company. For further details of our promoter please refer the chapter titled “*Our Promoters and Promoter Group*” beginning on page 197 of this Red Herring Prospectus.

We are an Engineering company which builds Valve solutions across sectors as per Industry standards. Our technical solutions build precision control systems to ensure longevity in various conditions. Our International standard factory manufactures and exports valves for critical applications in industries such as Ethanol Breweries and Industrial wastewater treatment, marine, shipbuilding OEM, EPC etc., please refer the chapter titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 143, 121, 183, 204 and 209 respectively of this Red Herring Prospectus.

Our Company has 37 (Thirty-Seven) Shareholders as on the date of filing of this Red Herring Prospectus.

CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

The following changes were made in the location of our Registered Office:

| From | To | With effect from | Reason for Change |
|--|--|------------------|------------------------|
| B-1/41 42, Panchvati Aptsc D, Barfiwala Marg, Andheri (W) Mumbai, Maharashtra, India 400058 | E-311, Crystal Plaza, 3rd Floor, Link Road, Andheri (W), Mumbai, Mumbai City, Maharashtra-MH, India 400058 | January 22, 2007 | Administration purpose |
| E-311, Crystal Plaza, 3rd Floor, Link Road, Andheri (W), Mumbai, Mumbai City, Maharashtra-MH, India 400058 | Genesis Industrial Complex, Plot No. 30, Village Kolgaon, Palghar (East), Thane, Thane, Maharashtra, India, 401404 | May 11, 2015 | Administration purpose |

MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

| Year | Key Events/Milestones/Achievements |
|------|---|
| 2002 | Incorporation of our Company under the name “Rapid Valves (India) Private Limited” |
| 2008 | Certification from Det Norske Veritas for Fire Safety Test. |
| 2008 | Recognition from valves World. |
| 2010 | Certification from American Petroleum Institute for Authority to Use the official Monogram (API600 and API6D). |
| 2012 | Started Exporting to Dubai to Econosto. |
| 2012 | Approval from DNV to Manufacture Fire Safe Design Ball Valves as per API 607 |
| 2012 | Go certified from IBR (Indian Boiler Regulation) to manufacture and supply IBR approved Gate, Globe and Check Valves. |
| 2016 | Certification from Det Norske Veritas for Fire Safety Test. |
| 2021 | Certified ISO 9001:2015 issued by ROSH Certification Pvt. Ltd. for Manufacturing of Industrial Valves (Gate, Globe, Check, Ball & Butterfly Valves Along with Various Motorized & Electrical Actuators) In Various Metallurgy |
| 2023 | Certified ISO 14001:2015 & 45001:2018 issued by ROSH Certification Pvt. Ltd. for Manufacturing of Industrial Valves (Gate, Globe, Check, Ball & Butterfly Valves Along with Various Motorized & Electrical Actuators) In Various Metallurgy |
| 2023 | Received Investment of INR 5 Crores by Maharashtra Defence and Aerospace Venture Fund. |
| 2023 | Awarded as one of the Top 10 Valves Manufacturer for oil & Gas Industry from Industry Outlook. |
| 2023 | Certification from Marine Systems Research Institute |
| 2023 | IBR Certificate |
| 2023 | Received Maharashtra Defence and Aerospace Venture Fund (MDAVF) for which Company had issued Optionally Convertible Preference Shares. |
| 2023 | Certification from Det Norske Veritas for Fire Safety Test. |
| 2024 | Converted to Public Limited Company and Name changed to “Rapid Valves (India) Limited” |

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as set forth in the Memorandum of Association of our Company is as follows:

- To carry on the business as Manufacturers, importers, exporters, traders, indenting agents, representative of manufacturers, Distributors, stockists, contractors, consultants for all type of valves and fittings.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION

The following changes have been made in the Memorandum of Association of our Company in last ten (10) years:

| Date of Meeting | Type | Nature of Amendment |
|--------------------|------|--|
| August 01, 2022 | EOGM | Alteration in Capital Clause: The Authorized Share Capital was increased from ₹ 5,500,000 divided into 550,000 Equity Shares of ₹10/- each to ₹ 35,000,000 divided into 3,500,000 Equity Shares of ₹10/- each. |
| September 04, 2023 | EOGM | Alteration in Capital Clause: The Authorized Share Capital was increased from ₹ 35,000,000 divided into 3,500,000 Equity Shares of ₹10/- each to ₹ 37,500,000 divided into 3,750,000 Equity Shares of ₹10/- each. |
| September 14, 2023 | EOGM | Alteration in Capital Clause: The Authorized Share Capital was increased from ₹ 37,500,000 divided into 3,750,000 Equity Shares of ₹10/- each to ₹ 8,73,00,000 divided into 37,50,000 number of Equity shares of Rs. 10/- each and 498,000 number of Preference Shares of Rs. 100/- each. |
| May 02, 2024 | EOGM | Alteration in Capital Clause: |

| Date of Meeting | Type | Nature of Amendment |
|------------------|------|---|
| | | The Authorized Share Capital was increased from ₹ 8,73,00,000 divided into 37,50,000 number of Equity shares of Rs. 10/- each and 498,000 number of Preference Shares of Rs. 100/- each to ₹ 8,83,00,000 divided into 38,50,000 number of Equity shares of Rs. 10/- each and 498,000 number of Preference Shares of Rs. 100/- each. |
| January 31, 2024 | EOGM | Alteration in Name Clause: Change in the name clause from “Rappid Valves (India) Private Limited” to “Rappid Valves (India) Limited”. |
| July 10, 2024 | EOGM | Alteration in Capital Clause: Company has re-classified its authorized capital from ₹883.00 Lakhs comprising of: <ul style="list-style-type: none"> • 4,98,000 Optionally Convertible Preference Shares of face value of ₹ 100/- each; and • 38,50,000 Equity Shares of face value of ₹ 10/- each to ₹883.00 Lakhs divided into 88,30,000 Equity Shares of ₹10/- each. |

OUR HOLDING COMPANY

As on the date of this Red Herring Prospectus, our Company does not have any Holding Company.

OUR SUBSIDIARY COMPANY

As on the date of this Red Herring Prospectus, our Company does not have any Subsidiary Company.

OUR ASSOCIATE COMPANY

As on the date of this Red Herring Prospectus, our Company does not have any Associate Company.

ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation in the last ten years except as mentioned under the Major Events table forming part of this chapter, However, company has carried revaluation of land in the past, for further details, please see chapter titled “*Restated Financial Statements*” beginning on page 204 of this Red Herring Prospectus.

SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS

We do not have any financial or strategic partnerships as on the date of this Red Herring Prospectus.

SHAREHOLDERS’ AGREEMENT

Our Company had entered into a Shareholders Agreement with IDBI Capital Market & securities Limited on October 19, 2023 during the issuance of 4,98,000 Optionally Convertible Preference Shares which got converted into equity shares on July 10, 2024.

LOCK OUTS AND STRIKES

There have been no lock outs or strikes at any of the location of our Company as on the date of this Red Herring Prospectus.

TIME/COST OVERRUN IN SETTING UP PROJECTS

There has been no time and cost overruns in the Company as on date of this Red Herring Prospectus.

LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY OR EXIT IN NEW GEOGRAPHIES

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the locations, please see chapter titled “*Our Business*” beginning on page 143 of this Red Herring Prospectus.

CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

Our Company has not made any defaults / re-scheduling of its borrowings as on date of this Red Herring Prospectus.

JOINT VENTURES

As on the date of this Red Herring Prospectus, there are no joint ventures of our Company.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, DIRECTOR, PROMOTER OR ANY OTHER EMPLOYEE

Neither our Promoter, nor any of the Key Managerial Personnel, Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

GUARANTEES GIVEN BY OUR PROMOTER

As on the date of this Red Herring Prospectus, our Promoter have given personal guarantees towards contractual obligations in respect of loans and borrowings availed by our Company.

MATERIAL AGREEMENTS

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any material agreement / contract as on the date of this Red Herring Prospectus.

STRATEGIC PARTNERS

As of the date of this Red Herring Prospectus, our Company does not have any Strategic Partners.

FINANCIAL PARTNERS

As on the date of this Red Herring Prospectus, our Company does not have any other financial partners.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under Articles of Association of our Company, the number of directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013.

As of the date of this Red Herring Prospectus, our Company has 4 (Four) Directors on the Board, 1 (One) as Chairman & Managing Director, 1 (One) as Non-Executive Director who is woman director as well and 2 (Two) as Non-Executive Independent Director.

The details of the Directors are as mentioned in the below table:

| Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN | Date of Appointment/ Re appointment | Other Directorships |
|--|---|--------------------------|
| <p>Name: Mr. Gaurav Vijay Dalal</p> <p>Father's Name: Mr. Vijay Laldas Dalal</p> <p>Age: 45 years</p> <p>Date of Birth: June 15, 1979</p> <p>Designation: Chairman & Managing Director</p> <p>Address: B-1/41, Andheri Panchavati CHS Ltd, C D Barfiwala Marg, IRLA Masjid, Andheri West, Mumbai-400058, Maharashtra, India</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: Appointed as Chairman & Managing Director with effect from May 28, 2024 for a period of 5 years</p> <p>DIN: 00494466</p> | <p>Appointed as the First Director of the Company at the time of incorporation i.e. May 24, 2002.</p> <p>Redesignated as Chairman & Managing Director with effect from May 28, 2024</p> | <p>Manray Foundation</p> |
| <p>Name: Ms. Lohiya Padma Madhusudan</p> <p>Father's Name: Mr. R. R. Mundada</p> <p>Age: 46 years</p> <p>Date of Birth: January 28, 1978</p> <p>Designation: Non-Executive Director</p> <p>Address: Sai Laurel Park, Flat No. B-603, SR No. 47/1, Near Krushna Chowk, Dnyanesh Park, Lane No. 4 Pimple Gurav, Pune – 411061, Maharashtra, India</p> <p>Occupation: Self Employed</p> <p>Nationality: Indian</p> <p>Term: Appointed as Non-Executive Director with effect from June 27, 2024 for a period of 5 years</p> <p>DIN: 10699590</p> | <p>Appointed as Non-Executive director with effect from June 27, 2024</p> | <p>Nil</p> |

| Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN | Date of Appointment/ Re appointment | Other Directorships |
|--|---|---|
| <p>Name: Mr. Dinesh Gopal Mundada</p> <p>Father's Name: Mr. Gopal Goverdhan Mundada</p> <p>Age: 43 years</p> <p>Date of Birth: December 06, 1980</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: Flat No. 403, Fortune House, Baaner, Pune City, N.i.a, Pune-411045, Maharashtra, India</p> <p>Occupation: Self Employed</p> <p>Nationality: Indian</p> <p>Term: Appointed as Independent Director with effect from May 28, 2024 for a period of 5 years</p> <p>DIN: 07274519</p> | <p>Appointed as an Additional Director on April 17, 2024 and regularised as Non-Executive Independent Director of the Company with effect from May 28, 2024</p> | <p>DMKH Insolvency Resolution Services LLP</p> <p>DMKH & Co LLP</p> |
| <p>Name: Mr. Dayaram Paliwal</p> <p>Father's Name: Mr. Tulsiram Paliwal</p> <p>Age: 54 years</p> <p>Date of Birth: August 07, 1970</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: E-05 Shree Laxmi Narayan, Jesal Park, Vijay Bank, Bhayandar East, Thane-401105, Maharashtra, India</p> <p>Occupation: Self Employed</p> <p>Nationality: Indian</p> <p>Term: Appointed as Independent Director with effect from May 28, 2024 for a period of 5 years</p> <p>DIN: 03060803</p> | <p>Appointed as an Additional Director on April 17, 2024 and regularised as Non-Executive Independent Director of the Company on May 28, 2024</p> | <p>Nil</p> |

BRIEF PROFILE OF OUR DIRECTORS

Mr. Gaurav Vijay Dalal, aged 45 years, is the Promoter, Chairman & Managing Director of our Company. He holds Bachelors Program in Mechanical Engineering and holds a Certificate of Diploma in Mechanical Engineering from Rajiv Gandhi Institute of Management & Technology School of Distance Education, Maharashtra. In the past and in current stint he has been associated with our Company since its incorporation as a promoter and director i.e. since 2002. He is also associated as a director in Manray Foundation since 2021. In our company, he has been involved in developing innovative products and providing technical expertise in valve manufacturing and he is responsible for strategic planning and customer relationship management. Being an engineer, he helps in applying principle of physics & material science to develop and design quality products for the Company. He has been instrumental from the date of inception of our Company's operations by continuously contributing to the growth and success of the Company, His leadership has also led to the implementation of various quality management systems which has helped the company in expansion of its Business. He has an overall experience of 22 years in the field of valve manufacturing industry. He also has an experience of 3 years in the field of social work by getting involved in changing the lives of the underprivileged in the society, by providing mentorship to the children associated with Manray Foundation.

Ms. Lohiya Padma Madhusudan, aged 46 years, is the Non-Executive Director of our Company. She is appointed in our Company w.e.f. June 27, 2024. She holds a Bachelor of Engineering degree in Electronics & Telecommunications from Amravati University and also holds Master of Engineering Degree from University of Pune. She has also completed Diploma in Multimedia Pro. With Advanced Animation from Institute of Digital Technology She has completed AutoCAD Course from Disha Computer Institute, and also completed a certificate course of Sun Java Programming from NIIT. She has also completed Certificate course in Oracle from Centre for Computer Information and Technology. She has also completed Computer Concepts and Programming in Basic from Informatics Computer Systems. In her previous stint, she was associated with Pratap Information Systems Private Limited as a Software Engineer from August 2000 to December 2000, she was also associated with NIIT Amravati Centre as a Senior Faculty from December 2000 to September 2001. She was associated as a professor of Microprocessors for Third year Diploma students and Practicals and Electronic Measurement & Instruments for Second Year Diploma Student in D.Y. Patil Pratishthan's Y.B. Patil Polytechnic from August 2002 to March 2003. She was even associated with D.Y. Patil College of Engineering as an Assistant Professor in Electronics & Telecommunication, Engineering Department from July 2003 to August 2015. She has been admitted as a Life Member of the society, an organization for promoting the quality and standards in Technical Education in 2008 by The Indian Society for Technical Education. She currently working as an Interior Designer and photographer through her sole proprietorship named Studios Innovation since past 8 years. She has a total of 24 years of experience including 13 years of experience in teaching industry.

Mr. Dinesh Gopal Mundada, aged 43 years, is the Non-Executive Independent Director of our Company. He is a Practicing Chartered Accountant having Fellow Membership and Certificate of Practise of Institute of Chartered Accountants of India. He also holds Professional Certificate of membership of Indian Institute of Insolvency Professionals of ICAI (IIPI). He has also completed a Post Qualification Course in Information Systems Audit (ISA) conducted by the Institute of Chartered Accountants of India and also has completed a course on Concurrent audit of Banks conducted by the Internal Audit Standards Board of the Institute of Chartered Accountants of India held at Delhi. In his previous stint he was associated with Singrodia Goyal & Co., Chartered Accountants from March 2006 to October 2006 as an Assistant Tax Manager. He was also associated with Uniconnect sim Private Limited (formerly known as Vijesh Marketing Private Limited) as a Manager – Accounts from October 2006 to March 2008. He was also associated with TATA Communications Limited as a Senior Manager from March 2008 to September 2012. Also, he was appointed as a Deputy Manager, Budgeting and Reporting at Gulf Bridge International Inc. (GBI), Qatar GBI QSTP-LLC at Qatar from September 2012 to May 2015. In his current stint, he is associated with DMKH & Co. Chartered Accountants as a Partner from September 2015 In his previous and current stint, he is also associated with Mahesh Forum Charitable Trust as a Member in Pune West in 2016 and he was positioned as a Director in 2017-2018 and was further promoted as a President and was further promoted to Deputy Governor and presently being Additional Governor of MES is involved in promoting professional and personal developments for young professionals and mentoring entrepreneurship and skill development for budding entrepreneurs and is also involved in upliftment of underprivileged rural and tribal masses through educational and developmental initiatives associated with Friends of Tribals Society, Pune Chapter. He has a total of 18 years of experience in corporate world and practice in Accounting (IFRS, IAS), Insolvency Profession, Management reporting, Budgeting, Financial Planning & Analysis, Taxation. His focus areas include Taxation, Accounts outsourcing, Advisory, assurance, Audit and consultancy services. He also has around 8 years of experience in social work.

Mr. Dayaram Paliwal, aged 54 years, is the Non-Executive Independent Director of our Company. He holds Bachelors of Commerce degree from University of Jodhpur. He is a Fellow Member of the Institute of Chartered Accountants of India and holds a valid Peer review Certificate from Peer review Board. He has also completed a Post Qualification Course in Information Systems Audit (ISA) conducted by the Institute of Chartered Accountants of India, also has completed a course on Concurrent audit of Banks conducted by the Internal Audit Standards Board of the Institute of Chartered Accountants of India held at Vasai and also has completed a course on Forensic Audit & Fraud Detection conducted by the Committee on Information Technology of the Institute of Chartered Accountants of India held at Vasai. In his previous and current stint, he is associated with SDA & Associates, Chartered Accountants as a Partner from 2000 till date and handles audit and finance He has a total of 24 years of experience in audit and finances.

CONFIRMATIONS

As on the date of this Red Herring Prospectus:

- None of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.

- There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
- The directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
- None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1) (III) of SEBI ICDR Regulations.
- None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
- None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- Our Promoter or Directors has not been or is involved as a promoters or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce them to become or to help them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

DETAILS OF BORROWING POWERS

Pursuant to a Special Resolution passed at an Extra-Ordinary General Meeting of our Company held on June 27, 2024 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company are authorized to borrow monies from time to time, with or without security, any sum or sums of money, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 20,000.00 Lakhs.

REMUNERATION OF OUR DIRECTORS

Mr. Gaurav Vijay Dalal

Mr. Gaurav Vijay Dalal has been a Director on the Board of our Company since incorporation i.e. since 2002. He was appointed as the Chairman & Managing Director of the Company and his remuneration was fixed pursuant to a Board resolution dated May 06, 2024 and Shareholder's resolution dated May 28, 2024 for a period of 5 years with effect from May 28, 2024. The following table sets forth the terms of appointment of Mr. Gaurav Vijay Dalal:

| Particulars | Terms of remuneration |
|----------------------|---|
| Remuneration | Up to INR 48.00 Lakhs per annum |
| Minimum Remuneration | The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not be exceed the limit set out under sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act,2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law. Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the central Government, if required, or any other approvals as may be required under law |

In Fiscal 2024, he received an aggregate remuneration of ₹ 18.00 Lakhs and professional fees of ₹ 16.00 Lakhs.

SITTING FEES

Pursuant to the Resolution passed by the Board of Directors of our Company on June 27, 2024 the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of INR ₹ 5,000/- with effect from June 27, 2024 for attending every meeting of Board and committees thereof.

PAYMENT OF BENEFITS (NON-SALARY RELATED)

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Red Herring Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered and/or sitting fees as Directors.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS

There is no contingent or deferred compensation payable to our directors, which does not form part of their remuneration.

BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS

None of the Directors are party to any bonus or profit-sharing plan of our Company.

SHAREHOLDING OF OUR DIRECTORS

Our Articles of Association do not require our directors to hold any qualification shares.

The details of the shareholding of our directors as on the date of this Red Herring Prospectus are as follows:

| Sr. No. | Name of the Director | No. of Equity Shares | Percentage of Pre- Issue Capital (%) |
|---------|-----------------------------|----------------------|--------------------------------------|
| 1. | Mr. Gaurav Vijay Dalal | 24,67,036 | 64.55% |
| 2. | Mr. Dinesh Gopal Mundada | Nil | Nil |
| 3. | Mr. Dayaram Paliwal | Nil | Nil |
| 4. | Ms. Lohiya Padma Madhusudan | Nil | Nil |

INTEREST OF OUR DIRECTORS

All our directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof payable to them.

Further our directors may be deemed to be interested to the extent of shareholding held by them in our Company or held by the entities in which they are associated as directors or 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, pursuant to the Issue and any dividend and other distributions payable in respect of such Equity Shares. For the shareholding of the Directors, please refer chapter titled “*Our Management – Shareholding of our Directors*” on page 183 of this Red Herring Prospectus.

Further, relatives of certain of our directors are also shareholders and / or employees of our Company and may be deemed to be interested to the extent of the payment of remuneration made by our Company and dividends declared on the Equity Shares held by them, if any. For the payments that are made by our Company to such relatives of the Directors, see “*Restated Financial Statements – Annexure IX - Related Party Transactions*” on page 204 of this Red Herring Prospectus.

Except mentioned in the Restated Financial Statements, no loans have been availed or extended by our directors from or to, our Company.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*”, beginning on page 143 of this Red Herring Prospectus, none of our directors have interest in any property acquired or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as stated in the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 143 and 204 respectively and to the extent of shareholding in our Company, if any, our directors do not have any other business interest in our Company.

Except Mr. Gaurav Vijay Dalal who is the Promoter of our Company, none of the other Directors are interested in the promotion of our Company.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

| Sr. No. | Name of the Director | Date of Appointment / Change in designation | Reason for Change |
|---------|-----------------------------|---|--|
| 1. | Ms. Mansi Gaurav Dalal | February 24, 2024 | Appointed as Additional Director of the Company |
| 2. | Mr. Vijay Laldas Dalal | April 17, 2024 | Resigned from Directorship of the company |
| 3. | Mr. Dayaram Paliwal | April 17, 2024 | Appointed as Additional Director of the Company |
| 4. | Mr. Dinesh Gopal Mundada | April 17, 2024 | Appointed as Additional Director of the Company |
| 5. | Mr. Gaurav Vijay Dalal | May 28, 2024 | Re-designated as the Chairman & Managing Director of our company |
| 6. | Mr. Dayaram Paliwal | May 28, 2024 | Re-designated as Non-Executive Independent Director of our company |
| 7. | Mr. Dinesh Gopal Mundada | May 28, 2024 | Re-designated as Non-Executive Independent Director of our company |
| 8. | Ms. Mansi Gaurav Dalal | May 28, 2024 | Re-designated as Non-Executive Director of our company |
| 9. | Ms. Mansi Gaurav Dalal | June 27, 2024 | Resigned as a Non-Executive Director of our Company |
| 10. | Ms. Lohiya Padma Madhusudan | June 27, 2024 | Appointed as Non-Executive Director of the Company |

CORPORATE GOVERNANCE

We are in compliance with the requirements of the Companies Act in respect of corporate governance including constitution of the Board and committees thereof. Further, conditions of corporate governance as stipulated in Regulation 17 to 27 of the SEBI LODR Regulations is not applicable to our company in terms of the Regulation 15(2)(b) of the SEBI LODR Regulations. Our Board has been constituted in compliance with the Companies Act. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Red Herring Prospectus, our Company has 4 (Four) Directors on the Board, 1 (One) as Chairman & Managing Director, 1 (One) as Non-Executive Director who is woman director as well, and 2 (Two) as Non-Executive Independent Director.

COMMITTEES OF THE BOARD OF DIRECTORS

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act: (i) Audit Committee, (ii) Stakeholders’ Relationship Committee and (iii) Nomination and Remuneration Committee.

Audit Committee:

Our Board has constituted the Audit Committee vide Board Resolution dated June 27, 2024 which was in accordance with Section 177 of the Companies Act, 2013. The audit committee comprises of:

| Name of the Directors | Nature of Directorship | Designation in Committee |
|------------------------------|------------------------------------|---------------------------------|
| Mr. Dinesh Gopal Mundada | Non-Executive Independent Director | Chairman |
| Mr. Dayaram Paliwal | Non-Executive Independent Director | Member |
| Mr. Gaurav Vijay Dalal | Chairman & Managing Director | Member |

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

The role of Audit Committee shall include but shall not be restricted to the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (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;
 - (g) Qualifications in the draft audit report;
5. Reviewing with the management the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an offer (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
10. Discussion with internal auditors any significant findings and follow up there on;

11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
14. To review the functioning of the Whistle Blower mechanism;
15. Approval of appointment of CFO (or the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
16. Approval or any subsequent modification of transactions of the company with related parties;
17. Scrutiny of inter-corporate loans and investments;
18. Valuation of undertakings or assets of the Company, whenever it is necessary;
19. Evaluation of internal financial controls and risk management systems;
20. Review of management discussion and analysis report, management letters issued by the statutory auditors, etc;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Ind AS 24, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

- i) To investigate any activity within its terms of reference.
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- i) Management discussion and analysis of financial condition and results of operations;
- ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses; and
- v) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
- vi) statement of deviations: (a) half yearly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI LODR Regulations; and (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI LODR Regulations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

Meeting of Audit Committee and Relevant Quorum

The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

Stakeholders’ Relationship Committee

Our Board has constituted the Stakeholders’ Relationship Committee vide Board Resolution dated June 27, 2024 pursuant to Section 178 of the Companies Act, 2013. The Stakeholder’s Relationship Committee comprises of:

| Name of the Directors | Nature of Directorship | Designation in Committee |
|------------------------------|------------------------------------|---------------------------------|
| Mr. Dayaram Paliwal | Non-Executive Independent Director | Chairman |
| Mr. Dinesh Gopal Mundada | Non-Executive Independent Director | Member |
| Mr. Gaurav Vijay Dalal | Chairman and Managing Director | Member |

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1. resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
2. review of measures taken for effective exercise of voting rights by shareholders;
3. review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent;
4. review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
5. Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6. approve, register, refuse to register transfer or transmission of shares and other securities;
7. sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. allotment and listing of shares;
9. authorise affixation of common seal of the Company;
10. issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
11. approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
12. dematerialize or rematerialize the issued shares;
13. ensure proper and timely attendance and redressal of investor queries and grievances;

14. carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time; and
15. further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Meeting of Stakeholders' Relationship Committee and Relevant Quorum

The stakeholders' Relationship committee shall meet at least four times in a year and shall report to the Board of Directors on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for a meeting of the Stakeholder's Relationship Committee shall be two members present.

Nomination and Remuneration Committee

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution dated June 27, 2024 pursuant to section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of:

| Name of the Directors | Nature of Directorship | Designation in Committee |
|------------------------------|------------------------------------|---------------------------------|
| Ms. Lohiya Padma Madhusudan | Non-Executive Director | Chairperson |
| Mr. Dayaram Paliwal | Non-Executive Independent Director | Member |
| Mr. Dinesh Gopal Mundada | Non-Executive Independent Director | Member |

The Company Secretary of our Company acts as the Secretary to the Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i) use the services of an external agencies, if required;
 - ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii) consider the time commitments of the candidates.
3. formulation of criteria for evaluation of Independent Directors and the Board;
4. devising a policy on Board diversity;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
7. recommend to the board, all remuneration, in whatever form, payable to senior management.

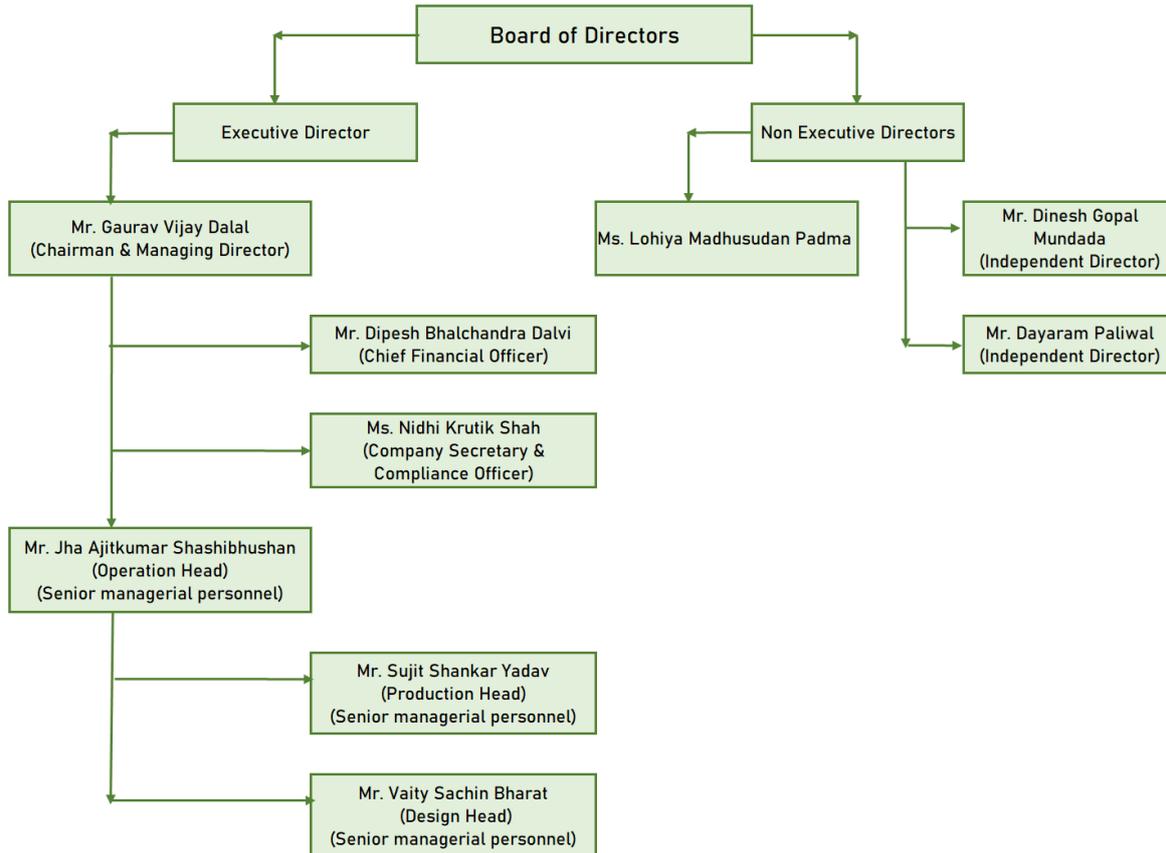
Meeting of Nomination and Remuneration Committee and Relevant Quorum

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members. The Committee shall meet as and when required.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of Regulation 9(1) of the SEBI PIT Regulations will be applicable to our Company immediately upon the listing of its Equity Shares on the NSE Emerge. We shall comply with the requirements of the SEBI PIT Regulations on listing of Equity Shares on stock exchange. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

ORGANIZATIONAL STRUCTURE



KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel and senior management of our Company:

Key Managerial Personnel of our Company:

Mr. Gaurav Vijay Dalal is the Chairman & Managing Director of our Company, for detailed profile, see para, “*Our Management - Brief Profile of our Directors*” on page 183 of this Red Herring Prospectus.

Mr. Dipesh Bhilchandra Dalvi, aged 31 years, is Chief Financial Officer of our Company with effect from May 25, 2024. He holds Bachelors of Commerce Degree in Accounting and Finance and holds Master of Management Studies Degree from University of Mumbai, also he holds a degree of Maharashtra State Certificate in Information Technology (MS-CIT) from Maharashtra State Board of Technical Education, Mumbai. In his previous stint, he was associated with Premium Chick Feeds Private Limited from November 2015 to January 2019 as an Accounts Assistant, He has also worked with Bhageria Industries Limited from February 2019 to April 2021 as an Accounts Executive. He was then appointed as a Senior Executive Accounts and Finance in our Company from April 2021 to June 2022. He was also associated with Shreeshail Chemicals Private Limited from June 2022 to May 2024 as an

Accounts Executive. He has an overall experience of 8 years out of which he already has an experience of over 1 year in our Company and currently is responsible for handling the accounts and finance of the Company. he was not paid any remuneration in the Fiscal Year 2023-24.

Ms. Nidhi Krutik Shah, aged 32 years, is the Company Secretary and Compliance Officer of our Company with effect from June 27, 2024. She holds a Bachelor of Commerce and Master of Commerce degree from University of Gujarat. She holds a Bachelor of Law degree from University of Gujarat. She is an Associate member of the Institute of Company Secretaries of India. In her previous stint she was associated with Jalan Alkesh, Practising Company Secretary, Ahmedabad as a Management Trainee. She was appointed as Company Secretary in Dahej SEZ Limited from June 2016 to November 2018. She was also appointed as a Company Secretary of Federal Brands Limited from December 2023 to June 2024. She has a total 2.5 years of experience in secretarial and compliance related matters. She is responsible for the Secretarial and Compliance division of our Company. She was not paid any remuneration in the Fiscal Year 2023-24.

Senior Management Personnel of our Company:

In addition to the above, the details of our other Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Red Herring Prospectus are set forth below:

Mr. Jha Ajitkumar Shashibhushan, aged 52 years, is the Operations Head of our company. He has been associated with our company since May 21, 2024. He has completed Bachelor's in mechanical Engineering from South Gujarat University, Sardar Vallabhbhai Regional College of Engineering and Technology, Surat. In his previous stint, he was associated with Larsen & Tubro Limited as an Engineer from July 1996 to September 2004, Also he was again appointed from March 2006 to November 2007, He was also associated with Virstra i-Technology Services Limited as a Senior Manager Deliveries and Deliveries from November 2007 to July 2009, He was also associated with Isgec Heavy Engineering Limited from December 2009 to July 2011, he was also associated with Bray Controls India Private Limited from September 2012 to December 2017 as a Director – Operations, Further, he was also associated with Chemtrols Industries Private Limited as a Vice-President – Operations from February 2018 to March 2019, He was also associated with Lin Scan Advanced Pipeline & Tank Services Private Limited as a country manager from January 2020 to March 2024, he has an experience of 23 years in operations of the Company. Since he was appointed on May 21, 2024, he was not paid any salary in the Fiscal Year 2023-24.

Mr. Vaity Sachin Bharat, aged 40 years, is the Design Engineer of our company. He has been associated with our company since May 14, 2019. He holds Mechanical Draughtsman Degree from Gupte Academy of Technicians, Mumbai. In his previous stint, he was associated with D-Tech Industries as a Mechanical Draughtsman from June 2009 to February 2012, he was also associated with Shri Krishna Industries from March 2012 to February 2018, he was also associated with Abigail Enterprises as a Designer Engineer from March 2018 to April 2019. In our Company he was appointed as a design engineer from May 2019 till date. He has around total 15 years of experience in our Industry, including 5 years of experience in our Company. he was paid ₹ 3.57 Lakhs as salary in the Fiscal Year 2023-24.

Mr. Sujit Shankar Yadav, aged 31 years, is the Production – in Charge of our company. He has been associated with our company since June 17, 2017. He holds Bachelors of Mechanical Engineering Degree from University of Solapur. In his previous stint, he was associated with Karamtara Engineers Transmission division as a Junior Engineer from June 2015 to January 2016, he was also associated with Engineering Products India from January 2016 to June 2017, he has total experience of 9 years in the field of execution of manufacturing operations, he was paid ₹ 4.99 Lakhs as salary in the Fiscal Year 2023-24.

STATUS OF OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

RELATIONSHIP BETWEEN OUR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of our directors are related to each other or to our Key Managerial Personnel and Senior Management.

SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT

Except for the following, none of our KMPs or senior management hold any shares of our Company as on the date of this Red Herring Prospectus.

| Sr. No. | Name of the Director | Designation | No. of Equity Shares | Percentage of Pre-Issue Capital (%) |
|---------|------------------------|------------------------------|----------------------|-------------------------------------|
| 1. | Mr. Gaurav Vijay Dalal | Chairman & Managing Director | 24,67,036 | 64.55% |

SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Key Managerial Personnel or Senior Management have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.

INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of our Key Management Personnel or Senior Management has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel or Senior Management may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares in future.

ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel or senior management have been selected as the Key Managerial Personnel or senior management of our Company.

BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT

There is no profit-sharing plan for the Key Managerial Personnel or senior management. However, our Company provides performance linked bonus payments, in accordance with their terms of appointment.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

There is no contingent or deferred compensation payable to our Key Managerial Personnel and senior management, which form part of their remuneration.

EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN

For details of the Employee Stock Option Plan, refer “*Capital Structure –Notes to Capital Structure –Employee Stock Option Schemes*” on page 74 of this Red Herring Prospectus.

PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

No non salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

CHANGES IN OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS FROM THE DATE OF FILING OF THIS RED HERRING PROSPECTUS

The changes in our Key Managerial Personnel and Senior Management during the three years immediately preceding the date of filing of this Red Herring Prospectus are set forth below:

| Name | Designation | Date of Appointment/ Change in designation | Reason for Change |
|------------------------------|------------------------------|--|--|
| Mr. Gaurav Vijay Dalal | Chairman & Managing Director | May 28, 2024 | Re-designated as Chairman & Managing Director of our company |
| Mr. Dipesh Bhalchandra Dalvi | Chief Financial Officer | May 22, 2024 | Appointed as Chief Financial Officer |

| Name | Designation | Date of Appointment/ Change in designation | Reason for Change |
|------------------------------------|--|---|---|
| Ms. Nishtha Khandelwal | Company Secretary and Compliance Officer | April 17, 2024 | Appointed as Company Secretary and Compliance Officer |
| Mr. Jha Ajitkumar Shashibhushan | Senior Management Personnel | June 21, 2024 | Designated as Senior Management Personnel |
| Mr. Vaity Sachin Bharat | Senior Management Personnel | June 21, 2024 | Designated as Senior Management Personnel |
| Mr. Sujit Shankar Yadav | Senior Management Personnel | June 21, 2024 | Designated as Senior Management Personnel |
| Ms. Nishtha Khandelwal | Company Secretary and Compliance Officer | June 27, 2024 | Resignation as Company Secretary and Compliance Officer |
| Ms. Nidhi Krutik Shah | Company Secretary and Compliance Officer | June 27, 2024 | Appointed as Company Secretary and Compliance Officer |

ATTRITION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The attrition of Key Managerial Personnel and senior management is not high in our Company compared to the industry.

OUR PROMOTER AND PROMOTER GROUP

As on the date of this Red Herring Prospectus, Mr. Gaurav Vijay Dalal holds 24,67,036 Equity Shares which constitute 64.55 % of the issued and paid-up Equity Share capital of our Company. Our Promoter will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

The details of our Promoter is as under:

| Mr. Gaurav Vijay Dalal, Promoter | |
|--|--|
|  | <p>Mr. Gaurav Vijay Dalal, aged 45 years, is the Promoter, Chairman & Managing Director of our Company. For the complete profile of our promoter, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “Our Management” on page 183 of this Red Herring Prospectus.</p> <p>Date of Birth: 15/06/1979</p> <p>Nationality: Indian</p> <p>PAN: ADOPD4652J</p> <p>Residential Address: B-1/41, Andheri Panchavati CHS Ltd, CD Barfiwala Marg, IRLA Masjid, Andheri West, Mumbai-400058, Maharashtra, India</p> <p>Other Interests: Manray Foundation</p> |

DECLARATION

1. We confirm that the Permanent Account Number, Bank Account Number, Aadhar Card Number and Passport Number of our Promoter have been submitted to the NSE at the time of filing of this Red Herring Prospectus.
2. Present Promoter of our Company is Mr. Gaurav Vijay Dalal. Initial subscribers to the MoA of our Company were Mr. Gaurav Vijay Dalal and Ms. Usha Vijay Dalal. For details of the shareholding acquired by the current promoter of our Company refer the capital build-up of our Promoter under chapter “Capital Structure” beginning on page 74 of this Red Herring Prospectus.
3. No Promoter or Promoter Group or Group Company or person in control of our Company has been:
 - Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
 - Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
 - No material regulatory or disciplinary action is taken by stock exchange or regulatory authority in the past one year in respect of our Promoter, Group Company and Company promoted by the promoter of our company.
 - There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoter, Group Company and Company promoted by the promoter during the past three years.
4. None of our Promoter, person in control of our Company is or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

5. The litigation record, the nature of litigation, and status of litigation of our Company, Promoter, Group company and Company promoted by the Promoter are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 218 of this Red Herring Prospectus.

CHANGE IN CONTROL OF OUR COMPANY

There has not been any change in the control of our Company in the five years immediately preceding the date of this Red Herring Prospectus.

EXPERIENCE OF OUR PROMOTER IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoter in the business of our Company, please refer the chapter “*Our Management*” beginning on page 183 of this Red Herring Prospectus.

INTEREST OF OUR PROMOTER

Our Promoter do not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by them or their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on pages 74, 204 and 183 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 204 of this Red Herring Prospectus.

Our Company is currently promoted by the Promoter in order to carry on its present business. Our Promoter is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. Our Promoter may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company. For details regarding the shareholding of our Promoter in our Company, see the chapter titled “*Capital Structure*” on page 74 of this Red Herring Prospectus.

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 143 and 204 respectively, of this Red Herring Prospectus, our Promoter have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Red Herring Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 143 of this Red Herring Prospectus Our Promoter does not have any interest in any land or property acquired by our Company in the three years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Our Promoter is not interested as member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

Our Promoter who is also the Managing Director of our Company may be deemed to be interested to the extent of remuneration, commission and reimbursement of expenses payable to them as per the terms of his appointment, the Articles of Association of our Company and relevant provisions of Companies Act. For further information on our Promoter’ compensation and other details please refer to the chapter titled “*Our Management*” on page 183 of this Red Herring Prospectus.

Except as mentioned in this chapter and chapters titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Restated Financial Statements*” beginning on pages 143, 179, 183 and 204, respectively, our Promoter do not have any other interest in our Company.

COMMON PURSUITS OF OUR PROMOTER

Our Promoter is not involved with any ventures which are in the same line of activity or business as that of our Company as on the date of this Red Herring Prospectus.

PAYMENT OF AMOUNTS OR BENEFITS TO THE PROMOTER OR PROMOTER GROUP DURING THE LAST TWO YEARS

Except as stated in the chapter titled “*Restated Financial Statements*” beginning on page 204 of this Red Herring Prospectus, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the date of this Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or members of our Promoter Group.

MATERIAL GUARANTEES

Except as stated in the chapter titled “*History and Certain Corporate Matters*” and “*Restated Financial Statements*” beginning on pages 179 and 204 of this Red Herring Prospectus, our Promoter have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Red Herring Prospectus.

Mr. Gaurav Vijay Dalal, the Promoter of the Company and Mr. Vijay Laldas Dalal and Ms. Usha Vijay Dalal, the Promoter Group members of the Company have given personal guarantee for the borrowings availed by our Company.

OUR PROMOTER GROUP

Apart from our Promoter, as per Regulation 2(1)(pp) of the SEBI ICDR Regulations, the following individuals and entities shall form part of our Promoter Group:

A. Natural Persons who are Part of the Promoter Group

As per Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations, the following individuals form part of our Promoter Group:

| Relationship | Mr. Gaurav Vijay Dalal |
|-------------------------|--|
| Father | Vijay Laldas Dalal |
| Mother | Usha Vijay Dalal |
| Spouse | Mansi Gaurav Dalal |
| Brother | - |
| Sister | Ghia Tej |
| Son | - |
| Daughter | Raeya Gaurav Dalal and Ayaana Gaurav Dalal |
| Spouse's Father | Anil Parekh |
| Spouse's Mother | Beena Anil Parekh |
| Spouse's Brother | Vishal Anil Parekh |
| Spouse's Sister | - |

B. Entities forming part of the Promoter group pursuant to Regulation 2(1) (pp)(iv) of the SEBI ICDR Regulations

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter group.

| Sr. No. | Name of Promoter group Entity/Company |
|----------------|--|
| 1. | Manray Foundation |
| 2. | Beenanil Charitable Foundation |
| 3. | Parekh Automotives Private Limited |
| 4. | Ziwia Exim International Private Limited |

| | |
|----|--------------------------------|
| 5. | Parekh Developers & Realty LLP |
|----|--------------------------------|

SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY

For details of shareholding of members of our Promoter Group as on the date of this Red Herring Prospectus, please see the chapter titled “*Capital Structure*” beginning on page 74 of this Red Herring Prospectus.

COMPANIES WITH WHICH THE PROMOTER HAVE DISASSOCIATED IN THE LAST THREE YEARS

Except for the following, Our Promoter has not disassociated himself from any of the Companies, Firms or other entities during the last three years preceding the date of this Red Herring Prospectus:

Mr. Gaurav Vijay Dalal was disassociated from the Directorship of Vinpra Engineering India Private Limited on September 26, 2022.

LITIGATION DETAILS PERTAINING TO OUR PROMOTER

For details on litigations and disputes pending against the Promoter and defaults made by the Promoter please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 218 of this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For the transactions with our Promoter Group entities please refer to chapter titled “*Restated Financial Statements*” on page 204 of this Red Herring Prospectus.

Except as stated in chapter titled “*Restated Financial Statements*” on page 204 of this Red Herring Prospectus, and as stated therein, our Promoter or any of the Promoter Group do not have any other interest in our business.

OTHER VENTURES OF OUR PROMOTER

Save and except as disclosed in this section titled “*Our Promoters and Promoter Group*” and “*Group Companies*” beginning on page 197 & 201 respectively of this Red Herring Prospectus, there are no ventures promoted by our Promoter in which they have any business interests/ other interests as on date of this Red Herring Prospectus.

OUR GROUP COMPANY

The definition of 'Group Companies' as per the SEBI ICDR Regulations, shall include such companies (other than promoters(s), holding Company and subsidiary/subsidiaries) with which there were related party transactions, during the period for which Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated June 27, 2024 our Group Companies includes:

- (a) Those companies disclosed as related parties in accordance with Accounting Standard ("AS 18") issued by the Institute of Chartered Accountants of India, during the period for which Financial Information is disclosed.
- (b) All such companies which are deemed to be material by the Board of Directors.

Accordingly, based on the parameters outlined above, as on the date of this Red Herring Prospectus, our Board has identified **Vinpra Engineering India Private Limited[#]** as the group company of our Company ("**Group Company**").

Note:[#] As on date of filing this Red Herring Prospectus there is no related party in Vinpra Engineering India Private Limited only sales transaction takes place. We have classified the same as in our group company only because our promoter Mr. Gaurav Vijay Dalal was on the directorship of the company from June 23, 2021 to September 26, 2022 and we had related party transaction in that financial year. As on date there is no such relation and no promoter, director is associated with Vinpra Engineering India Private Limited, hence, the information mentioned below relating to the group company is as per the available information.

DETAILS OF OUR GROUP COMPANY

VINPRA ENGINEERING INDIA PRIVATE LIMITED

Vinpra Engineering India Private Limited is incorporated on December 21, 2015. The CIN is U74999DL2015PTC288736 and Registered Office is situated at A-38, S/F, Madhu Vihar Near Hasan Pur Depot, East Delhi, India, 110092. Vinpra Engineering India Private Limited is in business of Trading of Marine Valves and other valves.

LITIGATION

Other than as disclosed in "*Outstanding Litigations and Material Developments*" on page 218 of this Red Herring Prospectus, our Group Company is not a party to any litigation which may have material impact on our Company.

NATURE AND EXTENT OF INTEREST OF GROUP COMPANY

Our Group Companies do not have any interest in the promotion of our Company.

None of our Group Company is interested in any property acquired by our Company in the three years preceding the filing of this Red Herring Prospectus or proposed to be acquired by our Company.

Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery.

COMMON PURSUITS BETWEEN OUR GROUP COMPANY AND OUR COMPANY

Our Group Company deals in similar business activities as that of our Company, however, as on date of filing this Red Herring Prospectus there is no related party in Vinpra Engineering India Private Limited only sales transaction takes place. We have classified the same as in our group company only because our promoter Mr. Gaurav Vijay Dalal was on the directorship of the company from June 23, 2021 to September 26, 2022 and we had transaction in that financial year with Vinpra Engineering India Private Limited. As on date there is no such relation and no promoter, director is associated with Vinpra Engineering India Private Limited, hence, the information mentioned below relating to the group company is as per the available information.

RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Other than the transactions disclosed in “*Annexure J - Restated Financial Statements*” beginning on page 204 of this Red Herring Prospectus, there are no other business transactions between our Company and the Group Company which are significant to the financial performance of our Company.

BUSINESS INTERESTS OR OTHER INTERESTS

Except as disclosed in “*Annexure J - Restated Financial Statements*” beginning on page 204 of this Red Herring Prospectus, our Group Company do not have any business interest in our Company.

OTHER CONFIRMATIONS

Our Group Company is not listed on any stock exchange.

DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company does not have any formal dividend policy for the Equity Shares. The dividend pay - out shall be determined by our Board after taking into account a number of factors, including but not limited to : (i) internal factors such as profits earned during the year, present and future capital requirements of the existing businesses, business acquisitions, expansion/ modernization of existing businesses, availability of external finance and relative cost of external funds, additional investments in subsidiaries/associates/joint ventures of our Company and restrictions on loan agreement(s); and (ii) external factors such as economic and industry outlook, growth outlook, statutory/regulatory restrictions and covenants with lenders/bond holders. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board.

For details of risks in relation to our capability to pay dividend, see Risk Factors – Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has paid Rs. 0.030 lakhs dividend on optionally convertible preference shares in last one years from date of this Red Herring Prospectus, However, no dividend was paid / declared on equity shares in last three years from the date of this Red Herring Prospectus.

SECTION VII – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

| Sr No. | Particulars | Page No |
|--------|-------------------------------|-------------|
| 1. | Restated Financial Statements | F-1 to F-36 |

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**VINAY BHUSHAN & ASSOCIATES
CHARTERED ACCOUNTANTS**

726, 7th Floor, D – Wing, Neelkanth Business Park
Near Bus Depot, Vidyavihar (West),
Mumbai – 400086, Maharashtra (INDIA),
+91 – 22 – 2513 8323
Email Id: - info@vbaconsult.com
GSTIN No: 27AAPFV6885P1ZS
PAN No: AAPFV6885P

RESTATED FINANCIAL STATEMENTS

Independent Auditor’s Report on Restated Financial Information of Rappid Valves (India) Limited (Formerly Known as *Rappid Valves (India) Private Limited*) (As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,
The Board of Directors
Rappid Valves (India) Limited
(Formerly Known as *Rappid Valves (India) Private Limited*)
Genesis Industrial Complex,
Plot No. 30, Village Kolgaon,
Palghar (East), Thane,
Maharashtra, India- 401404

Dear Sir/Ma’am,

We have examined the attached Restated Financial Information of **M/s.Rappid Valves Limited** (Formerly Known as *Rappid Valves (India) Private Limited*) (hereinafter referred as “the Company” or the “Issuer”) comprising the Restated Statement of Assets and Liabilities of the Company as at March 31, 2024, March 31, 2023, and March 31, 2022, the Restated Statements of Profit and Loss of the company, the Restated Cash Flow Statement of the company for the year ended on March 31, 2024, March 31, 2023, and March 31, 2022 the Summary Statement of Significant Accounting Policies adopted by the company and notes to the restated financial information (collectively hereinafter referred as “Restated Financial Statement” or “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on 27th June, 2024 for the purpose of inclusion in the Offer Document prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares (“SME IPO”) at SME Platform of NSE Limited (“NSE Emerge”).

1. These restated Summary Statement have been prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India ("SEBI"), the relevant Stock Exchange ("NSE Emerge") and Registrar of Companies, Maharashtra ("ROC") in connection with the proposed SME IPO. The Restated Financial Information of the company have been extracted and prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The Board of Directors of the Company 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.
3. We have examined such Restated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 27th June, 2024 in connection with the proposed IPO of equity shares of the Issuer;
 - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. This Restated Financial Information have been compiled by the management from:
 - a) Audited financial statements of the Company as at and for the year ended March 31, 2024, March 31, 2023, and March 31, 2022, prepared in accordance with the Indian Accounting Standards ("Indian GAAP") which have been approved by the Board of Directors.
5. For the purpose of our examination, we have relied on:
 - b) Auditors' Report issued by M/s. Kava & Associates. dated 12th June, 2024, by M/s. Vijay Bhardwah & Co. dated 6th September, 2023, and 26th September, 2022 on the financial statements of the company as at and for the period March 31, 2024, March 31, 2023 and March 31, 2022 respectively, as referred in Paragraph 5(a) above.

Reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss and cash flow statements, the Summary Statement of Significant Accounting Policies adopted by the company and notes to the restated financial information (collectively hereinafter referred as "Restated Financial Statement" or "Restated Financial Information") examined by us for the said years.
6. Based on our examination and according to the information and explanations given to us, we report that:
 - a) The "Restated Summary Statement of Assets and Liabilities" as set out in **Annexure I** to this report, of the Company as at and for year ended on March 31, 2024, March 31, 2023, and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Assets and Liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the

Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

- b) The “Restated Summary Statement of Profit and Loss” as set out in **Annexure II** to this report, of the Company as at and for the year ended March 31, 2024, March 31, 2023, and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
 - c) The “Restated Summary Statement of Cash Flow” as set out in **Annexure III** to this report, of the Company as at and for the year ended March 31, 2024, March 31, 2023, and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
 - d) The Restated Standalone Summary Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
 - e) The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments;
 - f) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
 - g) There were no qualifications in the Audit Reports issued by the Statutory Auditors as at and for the year ended March 31, 2024, March 31, 2023, and March 31, 2022.
 - h) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report;
 - i) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies, which includes the impact of adjustments for Deferred Tax Assets/Liabilities made basis in the Restated Summary Statements;
 - j) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
 - k) The company has not proposed any dividend in past effective for the said period.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the year ended March 31, 2024, March 31, 2023, and March 31, 2022, proposed to be included in the Offer Document.

| Annexure No. | Particulars |
|---------------------|--|
| I | Restated Statement of Assets & Liabilities |
| II | Restated Statement of Profit & Loss |
| III | Restated Cash Flow Statement |
| IV (A) | Statement of Significant Accounting Policies & Notes |
| IV (B) | Reconciliation of Restated Profit |
| IV (C) | Reconciliation of Restated Equity/ Net Worth |
| V | Restated Statement of Share Capital |
| VI | Restated Statement of Reserves & Surplus |
| VII | Restated Statement of Long/Short -Term Borrowings |
| VIII | Restated Statement of Long-Term Provisions |
| VII (B) | Nature of security & terms of repayment for long/ short term borrowings including current maturities |
| IX | Restated Statement of Trade Payable |
| X | Restated Statement of Other Current Liabilities |
| XI | Restated Statement of Short-Term Provisions |
| XII | Restated Statement of Tangible Assets |
| XIII | Restated Statement of Deferred tax Liabilities/ Assets |
| XIV | Restated Statement of Long-Term Loans and Advances |
| XV | Restated Statement of Non-Current Investments |
| XVI | Restated Statement of Inventories |
| XVII | Restated Statement of Trade Receivable |
| XVIII | Restated Statement of Cash & Cash Equivalents |
| XIX | Restated Statement of Short-Term Loans and Advances |
| XX | Restated Statement of Other Current Assets |
| XXI | Restated Statement of Revenue from Operations |
| XXII | Restated Statement of Other Income |
| XXIII | Restated Statement of Cost of Material Consumed |
| XXIV | Restated Statement of Changes in Inventories |
| XXV | Restated Statement of Employees Benefit Expenses |
| XXVI | Restated Statement of Financial Cost |
| XXVII | Restated Statement of Other Expenses |
| XXVIII | Restated Standalone Statement of Financial Ratio |
| XXIX | Restated Statement of Related Parties Transactions |
| XXX | Statement of Capitalization, As Restated |
| XXXI | Statement of Tax Shelter, As Restated |
| XXXII | Statement of Contingent Liabilities & Commitments, As Restated |
| XXXIII | Statement of Other Financial Information, As Restated |
| XXXIV | Notes to Standalone Restated Financial Statement |
| | |

8. We, M/s. Vinay Bhushan & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI which is valid till 30th June, 2026.
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 5 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document to be filed with Securities and Exchange Board of India (“SEBI”), the relevant stock exchange (“NSE Emerge”) and Registrar of Companies, Maharashtra (“ROC”) in connection with the proposed SME 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 M/s. Vinay Bhushan & Associates
Chartered Accountants
Firm’s Reg No. 130529W

CA. Vinay Bhushan
Partner
Membership No. 502632

Place: Mumbai
Date: 11th July, 2024.
UDIN: 24502632BKCKZC1268

RAPPID VALVES (INDIA) LIMITED
(FORMERLY KNOWN AS RAPPID VALVES (INDIA) PRIVATE LIMITED)

ANNEXURE – I

RESTATED STATEMENT OF ASSETS AND LIABILITIES

| Particulars | Annexure | As at | As at | As at |
|---|----------|-----------------|-----------------|-----------------|
| | | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| EQUITY AND LIABILITIES | | | | |
| Shareholders' funds | | | | |
| (a) Share capital | V | 850.00 | 350.00 | 55.00 |
| (b) Reserves and surplus | VI | 371.98 | (37.79) | (79.64) |
| | | 1,221.98 | 312.21 | (24.64) |
| Non-current liabilities | | | | |
| (a) Long-term Borrowings | VIIA | 187.09 | 181.53 | 219.73 |
| (b) Deferred tax liabilities (net) | XIII | 13.01 | 11.33 | 2.12 |
| (c) Long term provisions | VIII | 10.17 | 8.16 | 7.19 |
| | | 210.27 | 201.02 | 229.04 |
| Current liabilities | | | | |
| (a) Short term borrowings | VIIIA | 911.21 | 811.12 | 757.84 |
| (b) Trade payables | IX | | | |
| (i) total outstanding dues of micro and small enterprises | | 149.84 | 9.05 | 88.90 |
| (ii) total outstanding dues of creditors other than micro and small enterprises | | 220.87 | 235.62 | 134.27 |
| (c) Other current liabilities | X | 168.04 | 83.66 | 30.90 |
| (d) Short-term provisions | XI | 112.20 | 4.07 | 1.29 |
| | | 1,562.16 | 1,143.52 | 1,013.20 |
| TOTAL | | 2,994.41 | 1,656.75 | 1,217.60 |
| ASSETS | | | | |
| Non-current assets | | | | |
| (a) Property, plant and equipment | | | | |
| (i) Tangible | XII | 659.74 | 441.59 | 374.28 |
| (ii) Intangible | XII | 7.94 | 8.82 | 9.13 |
| (iii) Capital Work in Progress | XII | - | - | - |
| (b) Deferred tax assets (net) | XIII | - | - | - |
| (c) Long-term loans and advances | XIV | 0.35 | 0.86 | 6.87 |
| (d) Non-current Investments | XV | 16.97 | 15.60 | 16.30 |
| | | 685.00 | 466.87 | 406.58 |
| Current assets | | | | |
| (a) Inventories | XVI | 1,158.06 | 699.43 | 459.84 |
| (b) Trade receivables | XVII | 832.21 | 326.90 | 262.83 |
| (c) Cash and cash equi | XVIII | 158.30 | 65.02 | 32.87 |
| (d) Short-term loans and advances | XIX | 45.50 | 55.13 | 17.00 |
| (e) Other Current Assets | XX | 115.34 | 43.40 | 38.48 |
| | | 2,309.41 | 1,189.88 | 811.02 |
| TOTAL | | 2,994.41 | 1,656.75 | 1,217.60 |

As per our report of even date attached

For Vinay Bhushan & Associates
Chartered Accountants
FRN: 130529W

For and on behalf of the Board of Directors of
Rappid Valves (India) Limited
(Formerly known as Rappid Valves (India) Private Limited)

CA Vinay Bhushan
Partner
Membership No : 502632

Gaurav Vijay Dalal
DIN:00494466
Chairman and Managing Director

Dipesh Bhalchandra Dalvi
Chief Financial Officer

Nidhi Krutik Shah
Company Secretary

Place: Mumbai
Date: 11th July, 2024
UDIN: 24502632BKCKZC1268

Place: Palghar
Date: 11th July, 2024

RAPPID VALVES (INDIA) LIMITED
(FORMERLY KNOWN AS RAPPID VALVES (INDIA) PRIVATE LIMITED)

ANNEXURE- II

RESTATED STATEMENT OF PROFIT AND LOSS

| Particulars | Annexure | For the year ended | For the year ended | For the year ended |
|--|----------|--------------------|--------------------|--------------------|
| | | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Income | | | | |
| Revenue from operations | XXI | 3,651.25 | 1,639.91 | 1,214.11 |
| Other income | XXII | 8.81 | 3.51 | 1.13 |
| TOTAL INCOME | | 3,660.06 | 1,643.42 | 1,215.24 |
| Expenses | | | | |
| (a) Cost of Material Consumed | XXIII | 2,998.44 | 1,373.94 | 924.68 |
| (b) Purchase of stock-in-trade | | - | - | - |
| (c) Increase/Decrease in Stock in trade | XXIV | (335.88) | (188.70) | (27.00) |
| (d) Employee benefits expense | XXV | 103.09 | 63.06 | 48.10 |
| (e) Finance costs | XXVI | 140.29 | 144.06 | 146.16 |
| (f) Depreciation and amortisation expense | XII | 51.34 | 30.15 | 20.49 |
| (g) Other expenses | XXVII | 149.76 | 158.13 | 73.82 |
| TOTAL EXPENSES | | 3,107.04 | 1,580.64 | 1,186.25 |
| Profit / (Loss) before tax | | 553.01 | 62.78 | 28.99 |
| Tax expenses: | | | | |
| (a) Current tax expense | | 137.20 | 8.00 | - |
| (b) Earlier year Tax | | 0.84 | - | - |
| (c) Deferred tax expense / (benefit) | | 1.67 | 9.22 | 0.01 |
| Net tax expense/(benefit) | | 139.71 | 17.22 | 0.01 |
| Preference Share Dividend | | 0.03 | - | - |
| Profit / (Loss) for the year | | 413.27 | 45.56 | 28.98 |
| Earnings per share (of Rs. 10 each) | | | | |
| (a) Basic & Diluted | | 11.74 | 1.30 | 5.27 |

As per our report of even date attached

For Vinay Bhushan & Associates
Chartered Accountants
FRN: 130529W

For and on behalf of the Board of Directors of
Rappid Valves (India) Limited
(Formerly known as Rappid Valves (India) Private Limited)

CA Vinay Bhushan
Partner
Membership No : 502632

Gaurav Vijay Dalal
DIN:00494466
Chairman and Managing Director

Dipesh Bhalchandra Dalvi
Chief Financial Officer

Nidhi Krutik Shah
Company Secretary

Place: Mumbai
Date: 11th July, 2024
UDIN:24502632BKCKZC1268

Place: Palghar
Date: 11th July, 2024

RAPPID VALVES (INDIA) LIMITED
(FORMERLY KNOWN AS RAPPID VALVES (INDIA) PRIVATE LIMITED)
ANNEXURE- III

RESTATED CASH FLOW STATEMENT

| Particulars | As at | As at | As at |
|---|-----------------|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| A Cash flow from operating activities: | | | |
| Net profit before tax | 553.01 | 62.78 | 28.99 |
| Adjustments: | | | |
| Depreciation & Amortisation | 51.34 | 30.15 | 20.49 |
| Interest Income | (8.23) | (3.07) | (1.13) |
| Finance cost | 140.29 | 144.06 | 146.16 |
| Provision for Leave Encashment | 1.19 | 0.04 | 1.43 |
| Provision for Gratuity | 2.16 | 1.21 | 2.03 |
| | <u>186.75</u> | <u>172.39</u> | <u>168.97</u> |
| Operating cash flow before working capital changes | 739.76 | 235.17 | 197.96 |
| Movement in working capital | | | |
| I. Adjustments for (Increase)/decrease in operating assets : | | | |
| Trade receivables | (505.31) | (64.07) | 96.81 |
| Inventories | (458.63) | (239.59) | (47.83) |
| Short-term loans & advance | 9.63 | (38.13) | 0.53 |
| Other Current Assets | (71.94) | (4.92) | (1.91) |
| II. Adjustments for (Increase)/decrease in operating liabilities : | | | |
| Trade payables | 126.04 | 21.50 | (111.90) |
| Other current liabilities | 84.38 | 52.76 | (16.20) |
| | <u>(815.83)</u> | <u>(272.45)</u> | <u>(80.50)</u> |
| Cash generated from operations | (76.07) | (37.28) | 117.46 |
| Net income taxes paid | (31.26) | (5.51) | (3.70) |
| Net cash (used in) / provided by oprating activities (A) | (107.33) | (42.79) | 113.76 |
| B Cash flows from investing activities: | | | |
| Purchase of fixed assets & including intangible assets | (272.13) | (100.85) | (5.20) |
| Sales of fixed assets & including intangible assets | - | - | - |
| Security Deposits paid | 0.51 | 6.01 | 0.39 |
| Sales/(Purchase) of non-current investments | (1.37) | 0.70 | 0.01 |
| Interest Received | 8.23 | 3.07 | 1.13 |
| Net cash provided by / (used in) investing activities (B) | (264.76) | (91.07) | (3.66) |
| C Cash flows from Financing activities: | | | |
| Proceeds from Long Term Borrowings | 5.57 | (38.22) | (4.16) |
| Issuance of Share Capital | 500.00 | 295.00 | - |
| Proceeds from/(Repayment) of Short Term Borrowings | 100.09 | 53.28 | 21.97 |
| Interest paid | (140.29) | (144.06) | (146.16) |
| Net cash flow from/ (used in) financing activities (C) | 465.37 | 166.00 | (128.34) |
| Net increase / (decrease) in cash & cash equivalents (A+B+C) | 93.28 | 32.14 | (18.24) |
| Cash & cash equivalents as at the beginning of the year | 65.02 | 32.88 | 51.12 |
| Cash & cash equivalents as at the end of the year | 158.30 | 65.02 | 32.88 |
| Notes to Cash Flow Statement | | | |
| 1 Component of cash and cash equivalent : | | | |
| - Cash in hand | 22.31 | 25.23 | 16.79 |
| - Balance with Bank | 135.99 | 39.79 | 16.09 |
| | <u>158.30</u> | <u>65.02</u> | <u>32.88</u> |

As per our report of even date attached

For Vinay Bhushan & Associates
Chartered Accountants
FRN: 130529W

For and on behalf of the Board of Directors of
Rappid Valves (India) Limited
(Formerly known as Rappid Valves (India) Private Limited)

CA Vinay Bhushan
Partner
Membership No : 502632

Gaurav Vijay Dalal
DIN:00494466
Chairman and Managing Director

Dipesh Bhalchandra Dalvi
Chief Financial Officer

Nidhi Krutik Shah
Company Secretary

Place: Mumbai
Date: 11th July, 2024
UDIN:24502632BKCKZC1268

Place: Palghar
Date: 11th July, 2024

ANNEXURE IV (A)

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL STATEMENTS

1 COMPANY INFORMATION

Rappid Valves (India) Limited was incorporated on 24 May, 2002 and having its registered office at Genesis Industrial Complex, Plot No. 30, Village Kolgaon, Palghar (East), Thane, Maharashtra, India, 401404. The Company is an Engineering company which builds Valve solutions across sectors as per Industry standards. The company's technical solutions build precision control systems to ensure longevity in various conditions. The company's International standard factory manufactures and exports valves for critical applications in industries such as hydrocarbon/oil and gas (upstream, downstream & midstream) chemical, power, marine, mining & general industry. The Company has been converted from Private Limited Company to Public Limited Company vide necessary resolution passed by shareholders and the name of company is this day changed to Rappid Valves (India) Limited pursuant to issuance of Certificate of Incorporation dated 20th June, 2024. Now, the CIN is U74999MH2002PLC135992.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The Restated Summary Statement of Assets and Liabilities of the Company as at March 31, 2024, March 31, 2023 and March 31, 2022 and the related Restated Summary Statement of Profit and Losses and Cash Flows Statement for the period ended on March 31, 2024, March 31, 2023 and March 31, 2022 have been compiled by management from the financial statements of the company for the period ended on March 31, 2024, March 31, 2023 and March 31, 2022.

These financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards specified to in section 133 of the Companies Act 2013, read with rule 7 of the Companies (Account) Rules, 2014, the relevant provisions of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented as per schedule III to Companies Act, 2013

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

c) Revenue Recognition

The Company follows the accrual method of accounting and all claims, receivable and liabilities are provided on that basis. All revenue is recognized on accrual basis except non-recruiting income is accounted otherwise.

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales excludes Goods & Service Tax

Revenue from sale of services is recognized net of goods and service tax and as and when the services are rendered.

Interest incomes/expenses are recognised using the time proportion method based on the rates implicit in the transaction.

d) Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses. Additionally, land and buildings is carried at revalued amount, against which revaluation reserve is created in the financial statement.

e) Depreciation

i. Property, Plant & Equipment

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the written down value method as per the useful lives as prescribed in Schedule II to the Companies Act, 2013.

| Assets | Estimated uselives |
|---------------------------|---------------------------|
| Plant & Machinery | 15 Years |
| Furniture & Fixtures | 10 Years |
| Factory Premises (Owned) | 30 Years |
| Office Equipment | 5 Years |
| | |
| Computers | |
| End User Eq. (Laptop, PC) | 3 Years |
| Server & Network | 6 Years |
| Motor Vehicles | 8 Years |

ii. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible Assets are amortized on straight line basis over a period of five years being the estimated useful life.

Intangible asset are recognised as per Accounting Standard 26 Intangible Asset.

An intangible asset is recognised if and only if

- (a) it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and
- (b) the cost of the asset can be measured reliably.

f) Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is generally determined on weighted average basis except for inventory segregated for a specific order / project, in which case it is valued at their specific costs of purchase. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

g) Foreign currency transactions

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences:

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

h) Employee benefits

Short-term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, leave encashment, incentives etc. and the same are recognised in the period in which the employee renders the related service.

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity (unfunded), the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

i) Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

j) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

k) Borrowing costs

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

l) Earnings per Share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares, if any.

m) Impairment of assets

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

n) Operating Cycle:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. As a result, current assets comprise elements that are expected to be realised within 12 months after the reporting date and current liabilities comprise elements that are due for settlement within 12 months after the reporting date.

o) Changes in Accounting Policies in the Periods/ Years Covered in the Restated Financials

There is only change in Significant Accounting Policies which needs to be adjusted in the Restated Summary Statements includes the impact of provision of gratuity made on actuarial valuation basis report.

ANNEXURE- IV (B)

RECONCILIATION OF RESTATED PROFIT

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|-------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Net Profit/ (loss) after tax as per audited statement of Profit & Loss | 412.61 | 57.59 | 32.44 |
| Adjustments for: | | | |
| Excess/ (Short) Provision for Gratuity | 1.77 | 0.26 | (2.03) |
| Excess/ (Short) Provision for Leave Salary | (0.83) | 2.48 | (1.42) |
| Deferred Tax (Liability)/ Assets Adjustment | -0.28 | (14.77) | (0.01) |
| Net Profit/ (loss) after tax as Restated | 413.27 | 45.56 | 28.98 |

Explanatory Notes to the above restatements made in Audited Financial Statements of the Company for the respective periods.

To give Explanatory Notes regarding Adjustments

Appropriate adjustment have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets & liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years & the requirements of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018.

ANNEXURE- IV (C)

RECONCILIATION OF RESTATED EQUITY/ NETWORTH

| Particulars | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|-------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Equity/Networth as per audited financial Statements | 1,236.79 | 327.71 | (21.17) |
| Adjustments for: | | | |
| Differences pertaining to changes in Profit/(Loss) due to Restated Effect for the period covered in Restated Financials | (14.81) | (15.50) | (3.46) |
| Equity/Networth as Restated | 1,221.98 | 312.21 | (24.64) |

Explanatory Notes to the above restatements made in Audited Financial Statements of the Company for the respective periods.

To give Explanatory Notes regarding Adjustments

Appropriate adjustment have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets & liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years & the requirements of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018.

NOTES TO THE RESTATED FINANCIAL INFORMATION

ANNEXURE- V

DETAILS OF SHARE CAPITAL AS RESTATED

1. Statement of Share Capital:

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|----------------|----------------------|----------------|----------------------|----------------|
| | Number of shares | (Rs. in lakhs) | Number of shares | (Rs. in lakhs) | Number of shares | (Rs. in lakhs) |
| Authorised Capital | | | | | | |
| Equity shares of Rs.10/- each with voting rights | 37,50,000 | 375 | 35,00,000 | 350 | 5,50,000 | 55 |
| Preference Shares of Rs.100/- each. | 4,98,000 | 498 | - | - | - | - |
| Total | 42,48,000 | 873 | 35,00,000 | 350 | 5,50,000 | 55 |
| Issued, Subscribed and fully paid up | | | | | | |
| Equity shares of Rs.10/- each with voting rights | 35,20,000 | 352 | 35,00,000 | 350 | 5,50,000 | 55 |
| Preference Shares of Rs.100/- each. | 4,98,000 | 498 | - | - | - | - |
| Total | 40,18,000 | 850 | 35,00,000 | 350 | 5,50,000 | 55 |

Terms/rights attached to equity share:

- As on date of report the company has only one class of equity shares and one class of preference shares.
 - During the Financial Year 2023-24, the Company has increased its authorised share capital from Rs. 3,50,00,000 divided into 35,00,000 shares of Rs.10 each to Rs. 3,75,00,000 divided into 37,50,000 shares of Rs.10 each vide a resolution passed at EGM of the Company held at registered office of the Company on 4th September, 2023.
 - During the Financial Year 2023-24, the Company has increased its authorised share capital from Rs. 3,75,00,000 divided into 37,50,000 shares of Rs.10 each to Rs. 8,73,00,000 divided into 37,50,000 shares of Rs.10 each and 4,98,000 number of Preference Shares of Rs. 100/- each vide a resolution passed at EGM of the Company held at registered office of the Company on 14th September, 2023.
- Further, the Company has increased its authorised share capital from Rs. 8,73,00,000 divided into 87,30,000 shares of Rs.10 each to Rs. 8,83,00,000 divided into 38,50,000 equity shares of Rs.10 each and 4,98,000 Preference Shares of Rs. 100/- each vide a resolution passed at EGM of the Company held at registered office of the Company on 10th April, 2024.

2. Reconciliation of the number of Shares outstanding at the beginning and at the end of the Period

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|----------------------|
| At the beginning of the Period | 35,00,000 | 5,50,000 | 5,50,000 |
| Allotment of Equity Shares during the year | 20,000 | 29,50,000 | - |
| Allotment of Preference Shares during the year | 4,98,000 | - | - |
| Total | 40,18,000 | 35,00,000 | 5,50,000 |

3. Details of shareholders holding more than 5% shares in the Company (in terms of No. of Shares)

| Class of shares / Name of shareholder | Year ended on March 31, 2024 | | Year ended on March 31, 2023 | | Year ended on March 31, 2022 | |
|---|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | | | |
| Gaurav Dalal | 21,87,500 | 62.14% | 23,62,500 | 67.50% | 4,12,500 | 75.00% |
| Vijay Dalal | 7,87,500 | 22.37% | 7,87,500 | 22.50% | 1,37,500 | 25.00% |
| Total | 29,75,000 | 84.52% | 31,50,000 | 90.00% | 5,50,000 | 100.00% |

4. Shares held by promoters

| Name of promoters | Year Ending on March 31, 2024 | | | Year Ending on March 31, 2023 | | |
|---|-------------------------------|------------------|--------------------------|-------------------------------|------------------|--------------------------|
| | No. of Share | % of Total Share | % Change during the year | No. of Share | % of Total Share | % Change during the year |
| Equity shares with voting rights | | | | | | |
| Gaurav Dalal | 21,87,500 | 62.14% | -7.93% | 23,62,500 | 67.50% | -10.00% |
| Vijay Dalal | 7,87,500 | 22.37% | -0.57% | 7,87,500 | 22.50% | -10.00% |
| Total | 29,75,000 | 84.52% | -6.09% | 31,50,000 | 90.00% | -10.00% |

5. Shares held by promoters

| Name of promoters | Year Ending on March 31, 2023 | | | Year Ending on March 31, 2022 | | |
|---|-------------------------------|------------------|--------------------------|-------------------------------|------------------|--------------------------|
| | No. of Share | % of Total Share | % Change during the year | No. of Share | % of Total Share | % Change during the year |
| Equity shares with voting rights | | | | | | |
| Gaurav Dalal | 23,62,500 | 67.50% | -10.00% | 4,12,500 | 75.00% | - |
| Vijay Dalal | 7,87,500 | 22.50% | -10.00% | 1,37,500 | 25.00% | - |
| Total | 31,50,000 | 90.00% | -10.00% | 5,50,000 | 100.00% | - |

Terms & Rights attached to Equity Shares

The Company has issued one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes:

- The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
- The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.
- The Company had undertake right issue and issued 20,000 equity shares having face value of Rs. 10 each at Rs. 10 each i.e. at Par, by way of passing Board Resolution for allotment of shares dated 12th October, 2023.
- The Company had undertake right issue and issued 4,98,000 preference shares having face value of Rs. 100 each at Rs. 100 per share i.e. at Par, by way of passing Board Resolution for allotment of shares dated 12th October, 2023.
- The Company has converted 0.01% optionally convertible preference shares into equity and issued 3,02,184 equity shares having face value of Rs. 10 each at a premium of Rs. 154.8 per share, by way of passing Board Resolution for allotment of shares dated 10th July, 2024.

ANNEXURE- VI

DETAILS OF RESERVES & SURPLUS AS RESTATED

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Surplus / (Deficit) in Statement of Profit and Loss | | | |
| Balance at the beginning of the period | (276.49) | (322.05) | (351.03) |
| Add: Profit / (Loss) of the period | 413.27 | 45.56 | 28.98 |
| Balance at the end of the period (a) | 136.78 | (276.49) | (322.05) |
| Revaluation Reserve | | | |
| Balance at the beginning of the period | 238.70 | 242.41 | 250.06 |
| Less: Depreciation on Revaluation assets | 3.52 | 3.71 | 7.65 |
| Balance at the end of the period (b) | 235.18 | 238.70 | 242.41 |
| Total (a+b) | 371.98 | -37.79 | -79.64 |

Notes:

- The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
- The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.
- The Company had undertake right issue and issued 20,000 equity shares having face value of Rs. 10 each at Rs. 10 each i.e. at Par, by way of passing Board Resolution for allotment of shares dated 12th October, 2023.
- The Company had undertake right issue and issued 4,98,000 preference shares having face value of Rs. 100 each at Rs. 100 per share i.e. at Par, by way of passing Board Resolution for allotment of shares dated 12th October, 2023.
- The Company has converted 0.01% optionally convertible preference shares into equity and issued 3,02,184 equity shares having face value of Rs. 10 each at a premium of Rs. 154.8 per share, by way of passing Board Resolution for allotment of shares dated 10th July, 2024.

ANNEXURE- VIIIA

DETAILS OF LONG/ SHORT TERM BORROWINGS AS RESTATED

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| LONG TERM BORROWINGS | | | |
| <u>Secured Loan</u> | | | |
| From Banks | 187.09 | 181.53 | 219.73 |
| Total | 187.09 | 181.53 | 219.73 |
| SHORT TERM BORROWINGS | | | |
| Current Maturities of Long Term Debts | 129.79 | 141.53 | 287.60 |
| Secured loans Repayable on Demand from Banks | 178.77 | 178.25 | 403.61 |
| Cash credit and Credit Card from Banks | 588.44 | 434.10 | - |
| <u>Unsecured Loans</u> | | | |
| From Directors | 5.21 | 4.58 | - |
| From Others | 9.00 | 52.66 | 66.63 |
| Total | 911.21 | 811.12 | 757.84 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- VIII

DETAILS OF LONG TERM PROVISIONS AS RESTATED

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|-------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Provision for employee benefits: | | | |
| - Leave salary payable | 2.38 | 1.38 | 1.35 |
| - Gratuity | 7.79 | 6.78 | 5.84 |
| Total | 10.17 | 8.16 | 7.19 |

Notes:

1. The Provisioning for Gratuity and Leave Salary have been taken into account based on the Actuarial Valuer Report.
2. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
3. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- VIII B

NATURE OF SECURITY & TERMS OF REPAYMENT FOR LONG/ SHORT TERM BORROWINGS INCLUDING CURRENT MATURITIES

(Rs. in lakhs)

| S. No. | Lender | Type | Nature of Facility | Loan (Rs in Lakhs) | Amount Outstanding as at March 31, 2024 | Rate of Interest | Repayment Terms | Security/Principal Terms & Condition |
|--------|-----------------------------------|--|---------------------|--------------------|---|------------------|------------------------|--|
| 1 | Vasai Vikas Sahakari Bank Limited | Term Loan- For Purchase of New Machinery | Long term (Secured) | 28.00 | 6.90 | 12% per annum | Repayable in 84 months | Prime: Hypothecation of machinery to be purchased- Two Ace Slant Bed CNC Lathe Super Jobber LM machine. Collateral: Extension of Equitable Mortgage of 1) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 2) 1) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal |
| 2 | Vasai Vikas Sahakari Bank Limited | Term Loan- For Purchase of New Machinery | Long term (Secured) | 8.50 | 1.13 | 11.75% per annum | Repayable in 91 months | Prime: Hypothecation of proposed machinery. Collateral: Extension of Equitable Mortgage of Flat No. 41 & 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai. |
| 3 | Vasai Vikas Sahakari Bank Limited | Term Loan- Mortgage | Long term (Secured) | 150.00 | 32.79 | 12.00% per annum | Repayable in 90 months | Collateral: Extension of Equitable Mortgage of 1) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 2) 1) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal |
| 4 | Vasai Vikas Sahakari Bank Limited | Term Loan- Mortgage | Long term (Secured) | 275.00 | 65.63 | 12.00% per annum | Repayable in 91 months | Prime: Registered Mortgage of Plot No. 30 & Plot No. 243 (Part) . 244 & 295 (Part) & S.No 27 (Part) 84 & 26 (Part), Land area admeasuring about 1475 Sq. Mtrs & 1538 Sq.Mtrs. Respectively and 31000.00 Sq.ft and construction area approx. 16000 Sq.ft lying, being and situated at Genesis Industrial Township, Phase I, Village Kolgoan, Off. Palghar- Boisar Road, Palghar East, District- Palghar in the name of the company to be kept in favour of the Bank |
| 5 | Vasai Vikas Sahakari Bank Limited | Term Loan- Mortgage | Long term (Secured) | 50.00 | 32.88 | 10% per annum | Repayable in 84 months | Prime Security and Collateral Security: Registered Mortgage of Plot No. 30 & Plot No.31 Gut No. 243 (Part) . 244 & 295 (Part) & S.No 27 (Part) 84 & 26 (Part), Land area admeasuring about 1475 Sq. Mtrs & 1538 Sq.Mtrs. Respectively and 31000.00 Sq.ft and construction area approx. 16000 Sq.ft lying, being and situated at Genesis Industrial Township, Phase I, Village Kolgoan, Off. Palghar- Boisar Road, Palghar East, District- Palghar in the name of the company to be kept in favour of the Bank Extension of Equitable Mortgage on 1) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 2) 1) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal |
| 6 | Vasai Vikas Sahakari Bank Limited | Term Loan- Mortgage | Long term (Secured) | 50.00 | 32.92 | 10.50% per annum | Repayable in 84 months | Prime Security and Collateral Security: Registered Mortgage of Plot No. 30 & Plot No.31 Gut No. 243 (Part) . 244 & 295 (Part) & S.No 27 (Part) 84 & 26 (Part), Land area admeasuring about 1475 Sq. Mtrs & 1538 Sq.Mtrs. Respectively and 31000.00 Sq.ft and construction area approx. 16000 Sq.ft lying, being and situated at Genesis Industrial Township, Phase I, Village Kolgoan, Off. Palghar- Boisar Road, Palghar East, District- Palghar in the name of the company to be kept in favour of the Bank Extension of Equitable Mortgage on 1) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 2) 1) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal |
| 7 | Vasai Vikas Sahakari Bank Limited | Term Loan- Vehicle Loan | Long term (Secured) | 55.00 | 53.13 | 9.75% per annum | Repayable in 84 months | Hypothecation of Vehicle- New E-Class-CKD V213. E200 Exclusive MY 23,1.0 Mercedes- Benz Colour- 149U Polar White Non Metallic. |
| 8 | Vasai Vikas Sahakari Bank Limited | Term Loan- Working Capital | Long term (Secured) | 90.00 | 82.21 | 10.50% per annum | Repayable in 84 months | Collateral: 1.) Registered Mortgage of Plot No. 30 & Plot No.31 Gut No. 243 (Part) . 244 & 295 (Part) & S.No 27 (Part) 84 & 26 (Part), Land area admeasuring about 1475 Sq. Mtrs & 1538 Sq.Mtrs. Respectively and 31000.00 Sq.ft and construction area approx. 16000 Sq.ft lying, being and situated at Genesis Industrial Township, Phase I, Village Kolgoan, Off. Palghar- Boisar Road, Palghar East, District- Palghar in the name of the company to be kept in favour of the Bank 2) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 3) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal 4) Hypothecation of all developed Die. Patterns, Existing & New Machinery 5) Bank's FDRs Worth Rs. 22.35 lakhs. |

| | | | | | | | | |
|----|---|-------------------------|----------------------|--------|--------|------------------|------------------------|---|
| 9 | Vasai Vikas Sahakari Bank Limited | Cash Credit | Long term (Secured) | 600.00 | 588.44 | 10.50% per annum | - | Prime: Hypothecation of paid Stock and Book Debt of not more than 90 days. Collateral: 1.) Registererd Mortgage of Plot No. 30 & Plot No.31 Gut No. 243 (Part) . 244 & 295 (Part) & S.No 27 (Part) 84 & 26 (Part), Land area admeasuring about 1475 Sq. Mtrs & 1538 Sq.Mtrs. Respectively and 31000.00 Sq.ft and construction area approx. 16000 Sq.ft lying, being and situated at Genesis Industrial Township, Phase I, Village Kolgoan, Off. Palghar- Boisar Road, Palghar East, District- Palghar in the name of the company to be kept in favour of the Bank 2) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 3) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal 4) Hypothecation of all developed Die. Patterns, Existing & New Machinery 5) Bank's FDRs Worth Rs. 22.35 lakhs. |
| 10 | The National Small Industries Corporation Limited | Raw Material Assistance | Short term (Secured) | 200.00 | 178.77 | 9.00% per annum | Repayable in 180 Days | Security: Bank Guarantee equivalent to the value of limit sanctioned from any Nationalized Bank/Approval Bank of NSIC on the prescribed format on Non-Judicial Stamp paper? Franking Paper of Rs. 500.00 (stamp paper must be on the same bank) and it should be transmitted through SFMS gateway. |
| 11 | Mahindra and Mahindra Finance | Term Loan- Vehicle Loan | Long term (Secured) | 10.80 | 9.29 | 14.23% per annum | Repayable in 60 Months | Hypothecation of Vehicle- Maruti Grand Vitara- IE Strong Hybrid Alpha Plus 1.5L CVT |
| 12 | Richbond Capital | Unsecured Loan | Short term | 36.00 | 9.00 | 27.45% per annum | Repayable in 12 Months | - |
| 13 | Gaurav Dalal | Unsecured Loan | Short term | - | 5.22 | - | - | - |

* The sanction limits of aforesaid loans from Vasai Vikas Sahakari Bank have been amended pursuant to the Amendatory Credit Arrangement Letter dated 13th July, 2023 of the Vasai Vikas Sahakari Bank. Further, the Security/Principal terms and conditions have also been amended pursuant to the Amendatory Credit Arrangement Letter dated 13th July, 2023.

* The formal terms of repayment in relation to the unsecured loans from Mr. Gaurav Dalal as mentioned above, have been not defined as the loan is taken from the related party.

ANNEXURE- IX

DETAILS OF TRADE PAYABLES AS RESTATED

| Particulars | As at | As at | As at |
|--|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Other than Acceptances | | | |
| total outstanding dues of micro and small enterprises | 149.84 | 9.05 | 88.90 |
| total outstanding dues of creditors other than micro and small enterprises | 220.87 | 235.62 | 134.27 |
| Total | 370.71 | 244.67 | 223.17 |

a. Unbilled

| Particulars | As at | As at | As at |
|------------------------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Unbilled - Other (Provision) | 1.19 | 0.50 | 0.50 |
| Total | 1.19 | 0.50 | 0.50 |

Trade payable Ageing as Outstanding for following period from due date of payment

| Particulars | (Rs. in lakhs) | | | | | Total |
|--|------------------|-------------|-------------|------------------|---|---------------|
| | Less than 1 Year | 1 - 2 Year | 2 - 3 Year | More than 3 Year | | |
| 31st March, 2024 | | | | | | |
| - Micro, small and medium enterprises (MSME) | 143.98 | - | 5.86 | - | - | 149.84 |
| - Other | 211.09 | 5.14 | 3.00 | 0.45 | - | 219.68 |
| - Disputed Dues - MSME | - | - | - | - | - | - |
| - Disputed Dues - Other | - | - | - | - | - | - |
| Total | 355.07 | 5.14 | 8.86 | 0.45 | | 369.52 |

Trade payable Ageing as Outstanding for following period from due date of payment

| Particulars | (Rs. in lakhs) | | | | | Total |
|--|------------------|--------------|-------------|------------------|---|---------------|
| | Less than 1 Year | 1 - 2 Year | 2 - 3 Year | More than 3 Year | | |
| 31st March, 2023 | | | | | | |
| - Micro, small and medium enterprises (MSME) | 3.19 | 5.87 | - | - | - | 9.06 |
| - Other | 216.08 | 18.96 | 0.07 | - | - | 235.11 |
| - Disputed Dues - MSME | - | - | - | - | - | - |
| - Disputed Dues - Other | - | - | - | - | - | - |
| Total | 219.27 | 24.83 | 0.07 | | | 244.17 |

31st March, 2022

| Particulars | (Rs. in lakhs) | | | | | Total |
|--|------------------|--------------|--------------|------------------|---|---------------|
| | Less than 1 Year | 1 - 2 Year | 2 - 3 Year | More than 3 Year | | |
| 31st March, 2022 | | | | | | |
| - Micro, small and medium enterprises (MSME) | 88.50 | - | 0.41 | - | - | 88.91 |
| - Other | 41.06 | 56.11 | 21.53 | 15.07 | - | 133.77 |
| - Disputed Dues - MSME | - | - | - | - | - | - |
| - Disputed Dues - Other | - | - | - | - | - | - |
| Total | 129.56 | 56.11 | 21.94 | 15.07 | | 222.67 |

Notes:

- The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
- The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- X

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED

| Particulars | As at | As at | As at |
|--------------------------------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Statutory Dues: | | | |
| TDS Payable | 2.64 | 6.92 | 7.72 |
| ESIC Payable | 0.17 | 0.04 | 0.24 |
| Profession Tax Payable | 0.14 | 0.03 | 0.03 |
| Provident Fund Payable | 1.41 | 7.74 | 22.91 |
| Other Expenses Payable | 9.59 | 9.67 | - |
| Advances and Deposits from Customers | 154.09 | 59.25 | - |
| Total | 168.04 | 83.66 | 30.90 |

Notes:

- The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
- The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XI

DETAILS OF SHORT TERM PROVISIONS AS RESTATED

| Particulars | As at | As at | As at |
|--|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Provision for Taxation | 109.70 | 2.50 | - |
| Provision for Employment Benefits | | | |
| Leave Salary Payable | 0.38 | 0.19 | 0.19 |
| Gratuity | 2.12 | 1.38 | 1.10 |
| Total | 112.20 | 4.07 | 1.29 |

Notes:

- Provision for Income Tax have been adjusted against the Advance Tax, TDS & TCS Receivables, if any.
- The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
- The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XII

RECONCILIATION OF RESTATED TANGIBLE ASSETS

(Rs. in lakhs)

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block | Net block |
|----------------------------|-----------------------------|---------------|-----------|------------------------------|-----------------------------|---|----------------------------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2023 | Additions | Disposals | Balance as at March 31, 2024 | Balance as at April 1, 2023 | Depreciation/ amortisation expense for the year | Eliminated on disposal of assets | Balance as at March 31, 2024 | Balance as at March 31, 2024 | Balance as at March 31, 2023 |
| (a) Land | 188.33 | - | - | 188.33 | - | - | - | - | 188.33 | 188.33 |
| (b) Building | 194.57 | 38.54 | - | 233.10 | 141.41 | 3.69 | - | 145.10 | 88.00 | 53.16 |
| (c) Building- Revalued | 133.65 | - | - | 133.65 | 63.20 | 3.52 | - | 66.72 | 66.93 | 70.45 |
| (d) Furniture and Fixtures | 34.56 | 11.98 | - | 46.54 | 10.13 | 9.27 | - | 19.40 | 27.13 | 24.43 |
| (e) Computers | 26.50 | 6.15 | - | 32.65 | 7.96 | 9.52 | - | 17.48 | 15.17 | 18.54 |
| (f) Plant and Equipment | 160.38 | 215.47 | - | 375.85 | 73.70 | 27.98 | - | 101.68 | 274.17 | 86.68 |
| Total | 737.99 | 272.14 | - | 1,010.12 | 296.40 | 53.98 | - | 350.38 | 659.74 | 441.59 |

Intangibles

(Rs. in lakhs)

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block | Net block |
|----------------------------------|-----------------------------|---------------|-----------|------------------------------|-----------------------------|---|----------------------------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2023 | Additions | Disposals | Balance as at March 31, 2024 | Balance as at April 1, 2023 | Depreciation/ amortisation expense for the year | Eliminated on disposal of assets | Balance as at March 31, 2024 | Balance as at March 31, 2024 | Balance as at March 31, 2023 |
| (a) Software & Technical Drawing | 9.24 | - | - | 9.24 | 0.91 | 0.83 | - | 1.75 | 7.49 | 8.32 |
| (b) Website | 0.50 | - | - | 0.50 | - | 0.05 | - | 0.05 | 0.45 | 0.50 |
| Total | 9.73 | - | - | 9.73 | 0.91 | 0.88 | - | 1.80 | 7.94 | 8.82 |
| Grand Total | 747.72 | 272.14 | - | 1,019.85 | 297.31 | 54.86 | - | 352.18 | 667.68 | 450.41 |

Previous year 2022-23

(Rs. in lakhs)

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block | Net block |
|----------------------------|-----------------------------|---------------|---------------|------------------------------|-----------------------------|---|----------------------------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2022 | Additions | Disposals | Balance as at March 31, 2023 | Balance as at April 1, 2022 | Depreciation/ amortisation expense for the year | Eliminated on disposal of assets | Balance as at March 31, 2023 | Balance as at March 31, 2023 | Balance as at March 31, 2022 |
| (a) Land | 188.33 | - | - | 188.33 | - | - | - | - | 188.33 | 188.33 |
| (b) Building | 194.57 | - | - | 194.57 | 138.35 | 3.07 | - | 141.41 | 53.16 | 56.22 |
| (c) Building- Revalued | 133.65 | - | - | 133.65 | 59.49 | 3.71 | - | 63.20 | 70.45 | 74.16 |
| (d) Furniture and Fixtures | 48.82 | 26.77 | 41.03 | 34.56 | 47.06 | 4.10 | 41.03 | 10.13 | 24.43 | 1.76 |
| (e) Computers | 10.62 | 22.46 | 6.57 | 26.50 | 8.59 | 5.95 | 6.57 | 7.96 | 18.54 | 2.03 |
| (f) Plant and Equipment | 176.55 | 51.02 | 67.19 | 160.38 | 124.76 | 16.12 | 67.19 | 73.70 | 86.68 | 51.78 |
| Total | 752.54 | 100.25 | 114.79 | 737.99 | 378.25 | 32.95 | 114.79 | 296.40 | 441.59 | 374.28 |

Intangibles

(Rs. in lakhs)

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block | Net block |
|----------------------------------|-----------------------------|---------------|---------------|------------------------------|-----------------------------|---|----------------------------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2022 | Additions | Disposals | Balance as at March 31, 2023 | Balance as at April 1, 2022 | Depreciation/ amortisation expense for the year | Eliminated on disposal of assets | Balance as at March 31, 2023 | Balance as at March 31, 2023 | Balance as at March 31, 2022 |
| (a) Software & Technical Drawing | 8.64 | 0.60 | - | 9.24 | - | 0.91 | - | 0.91 | 8.32 | 8.64 |
| (b) Website | 0.50 | - | - | 0.50 | - | - | - | - | 0.50 | 0.50 |
| Total | 9.14 | 0.60 | - | 9.74 | - | 0.91 | - | 0.91 | 8.82 | 9.14 |
| Grand Total | 761.68 | 100.85 | 114.79 | 747.73 | 378.25 | 33.86 | 114.79 | 297.31 | 450.41 | 383.42 |

Previous year 2021-22

(Rs. in lakhs)

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block | Net block |
|----------------------------|-----------------------------|-------------|-----------|------------------------------|-----------------------------|---|----------------------------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2021 | Additions | Disposals | Balance as at March 31, 2022 | Balance as at April 1, 2021 | Depreciation/ amortisation expense for the year | Eliminated on disposal of assets | Balance as at March 31, 2022 | Balance as at March 31, 2022 | Balance as at March 31, 2021 |
| (a) Land | 188.33 | - | - | 188.33 | - | - | - | - | 188.33 | 188.33 |
| (b) Building | 194.57 | - | - | 194.57 | 132.37 | 5.97 | - | 138.35 | 56.22 | 62.19 |
| (c) Building- Revalued | 133.65 | - | - | 133.65 | 51.84 | 7.65 | - | 59.49 | 74.16 | 81.81 |
| (d) Furniture and Fixtures | 48.82 | - | - | 48.82 | 46.37 | 0.69 | - | 47.06 | 1.76 | 2.45 |
| (e) Computers | 8.84 | 1.78 | - | 10.62 | 7.67 | 0.91 | - | 8.59 | 2.03 | 1.16 |
| (f) Plant and Equipment | 175.78 | 0.77 | - | 176.55 | 111.85 | 12.91 | - | 124.76 | 51.78 | 63.93 |
| Total | 749.99 | 2.55 | - | 752.54 | 350.10 | 28.14 | - | 378.25 | 374.28 | 399.87 |

Intangibles

(Rs. in lakhs)

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block | Net block |
|----------------------------------|-----------------------------|-------------|-----------|------------------------------|-----------------------------|---|----------------------------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2021 | Additions | Disposals | Balance as at March 31, 2022 | Balance as at April 1, 2021 | Depreciation/ amortisation expense for the year | Eliminated on disposal of assets | Balance as at March 31, 2022 | Balance as at March 31, 2022 | Balance as at March 31, 2021 |
| (a) Software & Technical Drawing | 5.99 | 2.65 | - | 8.64 | - | - | - | - | 8.64 | 5.99 |
| (b) Website | 0.50 | - | - | 0.50 | - | - | - | - | 0.50 | 0.50 |
| Total | 6.49 | 2.65 | - | 9.14 | - | - | - | - | 9.13 | 6.49 |
| Grand Total | 756.48 | 5.20 | - | 761.68 | 350.10 | 28.14 | - | 378.25 | 383.41 | 406.36 |

Notes:

1. Land & Building was revalued by Rs. 1,68,25,140/- during the Financial Year 2015-2016. The depreciation in relation to the revalued value is transferred to Revaluation Reserve.

ANNEXURE- XIII

DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED

| Particulars | As at | As at | As at |
|---|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| <u>Tax effect of items constituting Deferred tax liabilities</u> | | | |
| On difference between book balance and tax balance of property, plant and equipment | (13.85) | (15.14) | (14.71) |
| | (13.85) | (15.14) | (14.71) |
| <u>Tax effects of items Constituting Deferred Tax Asset</u> | | | |
| On difference between book balance and tax balance of property, plant and equipment | - | - | - |
| Unabsorbed tax losses & Depreciation | - | 3.48 | 11.70 |
| Provision for doubtful trade receivables | - | - | - |
| Disallowances u/s 40(a)(a), 43B, 40(A)(7) of the Income Tax Act, 1961 | 0.84 | 0.33 | 0.90 |
| | 0.84 | 3.81 | 12.60 |
| Net deferred tax asset / (liability) | (13.01) | (11.33) | (2.12) |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XIV

DETAILS OF LONG TERM LOANS AND ADVANCES AS RESTATED

| Particulars | As at | As at | As at |
|-------------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Security Deposits | 0.35 | 0.86 | 6.87 |
| Total | 0.35 | 0.86 | 6.87 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XV

DETAILS OF NON-CURRENT INVESTMENTS AS RESTATED

| Particulars | As at | As at | As at |
|--|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Unquoted Investments | | | |
| i) Investments in Equity Instruments | | | |
| a) Vasai Vikas Bank | 16.97 | 15.60 | 16.29 |
| -16,970 fully paid up shares of Rs. 100/- each | | | |
| b) Bharat Co-op Bank | - | - | 0.01 |
| - 100 fully paid up shares of Rs.10/- each | | | |
| Total | 16.97 | 15.60 | 16.30 |

ANNEXURE- XVI

DETAILS OF INVENTORIES AS RESTATED

| Particulars | As at | As at | As at |
|---------------------|-----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Raw Materials | 405.65 | 282.90 | 232.01 |
| Semi Finished Goods | 295.31 | 177.31 | 135.78 |
| Finished Goods | 457.10 | 239.22 | 92.05 |
| Total | 1,158.06 | 699.43 | 459.84 |

Notes:

- The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
- The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XVII

DETAILS OF TRADE RECEIVABLES AS RESTATED

| Particulars | As at | As at | As at |
|---|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| (Unsecured, considered good unless otherwise stated) | | | |
| (a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | | |
| Considered good | 26.48 | 44.52 | 55.46 |
| Considered doubtful | - | - | - |
| | 26.48 | 44.52 | 55.46 |
| Less: Provision for doubtful trade receivables | - | - | - |
| | 26.48 | 44.52 | 55.46 |
| (b) Unbilled Revenue | 52.68 | 96.94 | 3.25 |
| (c) Other Trade receivables | 753.05 | 185.44 | 204.12 |
| Total | 832.21 | 326.90 | 262.83 |

Notes: Trade Receivable Ageing Schedule

| Particulars | (Rs. in lakhs) | | | | | |
|-----------------------------------|--------------------|--------------------|--------------|--------------|------------------|---------------|
| | Less than 6 Months | 6 Months to 1 year | 1 - 2 Year | 2 - 3 Year | More than 3 Year | Total |
| 31st March, 2024 | | | | | | |
| (a) Undisputed Trade receivables- | | | | | | |
| Considered good | 753.05 | 5.16 | 19.93 | 30.68 | 23.39 | 832.21 |
| Considered doubtful | - | - | - | - | - | - |
| | 753.05 | 5.16 | 19.93 | 30.68 | 23.39 | 832.21 |
| (b) Disputed Trade receivables- | | | | | | |
| Considered good | - | - | - | - | - | - |
| Considered doubtful | - | - | - | - | - | - |
| Total | 753.05 | 5.16 | 19.93 | 30.68 | 23.39 | 832.21 |
| 31st March, 2023 | | | | | | |
| (a) Undisputed Trade receivables- | | | | | | |
| Considered good | 185.44 | 114.16 | 4.28 | 4.39 | 18.63 | 326.90 |
| Considered doubtful | - | - | - | - | - | - |
| | 185.44 | 114.16 | 4.28 | 4.39 | 18.63 | 326.90 |
| (b) Disputed Trade receivables- | | | | | | |
| Considered good | - | - | - | - | - | - |
| Considered doubtful | - | - | - | - | - | - |
| Total | 185.44 | 114.16 | 4.28 | 4.39 | 18.63 | 326.90 |

| 31st March,2022 | | | | | | |
|-----------------------------------|---------------|--------------|-------------|-------------|--------------|---------------|
| (a) Undisputed Trade receivables- | | | | | | |
| Considered good | 204.12 | 12.38 | 8.56 | 2.25 | 35.51 | 262.83 |
| Considered doubtful | - | - | - | - | - | - |
| | 204.12 | 12.38 | 8.56 | 2.25 | 35.51 | 262.83 |
| (b) Disputed Trade receivables- | | | | | | |
| Considered good | - | - | - | - | - | - |
| Considered doubtful | - | - | - | - | - | - |
| | | | | | | |
| Total | 204.12 | 12.38 | 8.56 | 2.25 | 35.51 | 262.83 |

Notes:

1. As per the view of the management of the company there is no doubtful debt & hence provision for doubtful debt has not been made.
2. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
3. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XVIII

DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED

| Particulars | As at | As at | As at |
|--|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| A. Cash and cash equivalents | | | |
| (a) Cash on hand | 22.31 | 25.23 | 16.79 |
| (b) Balances with banks | | | |
| (i) In current accounts | 99.98 | 5.30 | - |
| Total - Cash and cash equivalents (A) | 122.29 | 30.53 | 16.79 |
| B. Other bank balances | | | |
| (i) In other deposit accounts | | | |
| - original maturity more than 3 months | 36.01 | 34.49 | 16.09 |
| Total - Other bank balances (B) | 36.01 | 34.49 | 16.09 |
| Total | 158.30 | 65.02 | 32.87 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XIX

DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED

| Particulars | As at | As at | As at |
|--|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| (Unsecured, considered good unless otherwise stated) | | | |
| Loans to employees | 1.80 | 1.78 | 14.56 |
| Advance Income Tax (Net of Provision for Taxes) | - | - | 1.21 |
| Balance with statutory/government authorities | | | |
| -TDS Receivable | 1.82 | 3.06 | 1.13 |
| -GST Receivable | 33.28 | 32.15 | - |
| -Others Receivable | 8.60 | 18.13 | 0.11 |
| Total | 45.50 | 55.13 | 17.02 |

Notes:

1. No Securities have been taken by the company against the advances given to the suppliers.
2. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
3. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XX

DETAILS OF OTHER CURRENT ASSETS AS RESTATED

| Particulars | As at | As at | As at |
|----------------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Advance to Creditors | 114.45 | 42.72 | 35.56 |
| Prepaid Expenses | 0.89 | 0.67 | 0.51 |
| Other Current Asset | - | - | 2.41 |
| Total | 115.34 | 43.40 | 38.48 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XXI

DETAILS OF REVENUE FROM OPERATIONS AS RESTATED

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Revenue from Sale of products | 3,695.50 | 1,546.22 | 1,301.07 |
| Add: Unbilled Revenue | (44.25) | 93.69 | (86.96) |
| Total | 3,651.25 | 1,639.91 | 1,214.11 |

Revenue from Sale of products

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|----------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Domestic Sales | 3,695.50 | 1,545.50 | 1,296.98 |
| Foreign Sales | - | 0.72 | 4.09 |
| Total | 3,695.50 | 1,546.22 | 1,301.07 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.
3. The aforesaid disclosure of Domestic and Foreign Sales of Revenue from sale of products shall not include unbilled revenue.

ANNEXURE- XXII

DETAILS OF OTHER INCOME AS RESTATED

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|-----------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Discount and Rebates | 0.51 | 0.37 | - |
| Interest Income | 8.23 | 3.07 | 1.13 |
| Foreign Exchange Gain | 0.07 | 0.07 | - |
| Total | 8.81 | 3.51 | 1.13 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XXIII

DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Inventory at the beginning of the year | 282.90 | 232.01 | 211.18 |
| Add : Purchases | 2,881.56 | 1,255.85 | 825.53 |
| Add : Direct Expenses | 239.63 | 168.98 | 119.98 |
| | 3,404.09 | 1,656.84 | 1,156.69 |
| Less : Inventory at the end of the year | 405.65 | 282.90 | 232.01 |
| Cost of material Consumed | 2,998.44 | 1,373.94 | 924.68 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XXIV

DETAILS OF CHANGE IN INVENTORIES OF WIP & FINISHED GOODS AS RESTATED

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Inventories at the end of the year | | | |
| - Semi Finished Goods | 295.31 | 177.31 | 135.78 |
| - Finished Goods | 457.10 | 239.22 | 92.05 |
| | 752.41 | 416.53 | 227.83 |
| Inventories at the beginning of the year | | | |
| - Semi Finished Goods | 177.31 | 135.78 | 115.78 |
| - Finished Goods | 239.22 | 92.05 | 85.05 |
| | 416.53 | 227.83 | 200.83 |
| Net (increase)/decrease | -335.88 | -188.70 | -27.00 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XXV

DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Salaries and wages | 46.87 | 43.28 | 37.79 |
| Contribution to provident and other funds | 4.85 | 0.48 | 1.56 |
| Contribution to ESIC | 1.58 | 1.09 | 0.39 |
| Managerial Remuneration | 39.18 | 13.75 | 0.50 |
| Gratuity Expenses | 2.16 | 1.21 | 2.03 |
| Leave Salary Expenses | 1.19 | 0.04 | 1.43 |
| Staff welfare expenses | 7.26 | 3.21 | 4.40 |
| Total | 103.09 | 63.06 | 48.10 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XXVI

DETAILS OF FINANCE COST AS RESTATED

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|-----------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Bank Charges | 19.15 | 16.97 | 7.64 |
| Interest expense on: | | | |
| - Borrowings | 121.14 | 127.09 | 120.83 |
| Other Borrowing Costs | - | - | 17.69 |
| Total | 140.29 | 144.06 | 146.16 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XXVII

DETAILS OF OTHER EXPENSES AS RESTATED

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | (Rs. in lakhs) | (Rs. in lakhs) | (Rs. in lakhs) |
| Audit Fees | 1.19 | 0.50 | 0.50 |
| Rent | - | 1.19 | 2.45 |
| Repair & Maintenance Expenses | 5.03 | 6.41 | 0.36 |
| Office Expenses | 10.88 | 9.67 | 5.52 |
| Business Promotion Expenses | 56.48 | 71.09 | 1.96 |
| Professional & Consultancy Fees | 49.11 | 47.53 | 42.75 |
| Rates and Taxes | 0.99 | 0.27 | 0.27 |
| Travelling & Conveyance Expenses | 11.41 | 10.84 | 4.74 |
| Communication Charges | 0.21 | 0.49 | 0.26 |
| Printing & Stationery | 1.82 | 4.48 | 1.89 |
| Postage and Courier | 0.68 | 1.27 | 1.21 |
| Insurance | 1.40 | 1.38 | 1.42 |
| ROC Fees | 5.21 | 2.92 | 1.97 |
| Miscellaneous expenses | 5.35 | 0.10 | 8.52 |
| Total | 149.76 | 158.13 | 73.82 |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets & liabilities of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XXVIII

RESTATED STANDALONE STATEMENT OF FINANCIAL RATIO

| Sr. No. | Ratios | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---------|--|---|-------------------------|-------------------------|
| 1 | Current Assets | 2,309.41 | 1,189.88 | 811.02 |
| | Current Liabilities | 1,562.16 | 1,143.52 | 1,013.20 |
| | Current Ratio | 1.48 | 1.04 | 0.80 |
| | Variation | 42.07% | 29.99% | |
| | Reason | Due to increase in Current Assets in comparison to the previous year. | | |
| 2 | Total Debt: Borrowings | 1,098.30 | 992.65 | 977.57 |
| | Equity | 1,221.98 | 312.21 | (24.64) |
| | Debt-Equity Ratio | 0.90 | 3.18 | (39.67) |
| | Variance | -71.73% | -108.01% | |
| | Reason | Due to significant increase in the equity during the period in comparison to previous period. | | |
| 3 | Earnings Available for Debt Service | 604.90 | 219.77 | 195.63 |
| | Debt Service | 1,238.59 | 1,136.71 | 1,123.73 |
| | Debt Service Coverage Ratio | 0.49 | 0.19 | 0.17 |
| | Variance | 152.60% | 11.06% | |
| | Reason | Due to increase in the amount of Earning available for Debt Service during the period. | | |
| 4 | Net Profit After taxes | 413.27 | 45.56 | 28.98 |
| | Average Shareholders Equity | 767.10 | 143.79 | (35.30) |
| | Return on Equity (ROE)* | 53.88% | 31.69% | -82.09% |
| | Variance | 70.03% | -138.60% | |
| | Reason | Due to increase in the Profit after taxes in the current year as compared to previous year. | | |
| 5 | Cost of Goods Sold | 2,662.56 | 1,185.24 | 897.68 |
| | Average Inventory | 928.75 | 579.64 | 435.92 |
| | Inventory Turnover Ratio* | 2.87 | 2.04 | 2.06 |
| | Variation | 40.20% | -0.70% | |
| | Reason | Due to increase in Cost of Goods Sold for the current period as compared to the previous period. | | |
| 6 | Net Sales | 3,651.25 | 1,639.91 | 1,214.11 |
| | Average Accounts Receivable | 579.56 | 294.87 | 311.24 |
| | Trade Receivables Turnover Ratio* | 6.30 | 5.56 | 3.90 |
| | Variation | 13.28% | 42.57% | |
| | Reason | Due to increase in Sales for the current period as compared to the previous period. | | |
| 7 | Net Purchases | 2,998.44 | 1,373.94 | 924.68 |
| | Average Accounts Payables | 307.69 | 233.92 | 278.87 |
| | Trade Payables Turnover Ratio* | 9.75 | 5.87 | 3.32 |
| | Variation | 65.91% | 77.14% | |
| | Reason | Due to increase in Purchases for the current period as compared to the previous period. | | |
| 8 | Revenue | 3,651.25 | 1,639.91 | 1,214.11 |
| | Working capital | 747.25 | 46.36 | (202.18) |
| | Net Capital Turnover Ratio | 4.89 | 35.37 | (6.01) |
| | Variation | -86.19% | -689.06% | |
| | Reason | Due to increase in working capital as compared to the previous period. | | |
| 9 | Profit After Tax | 413.27 | 45.56 | 28.98 |
| | Revenue | 3,651.25 | 1,639.91 | 1,214.11 |
| | Net Profit Ratio | 11.32% | 2.78% | 2.39% |
| | Variation | 307.41% | 16.39% | |
| | Reason | Due to increase in Profit after Tax as compared to the previous period. | | |
| 10 | Profit before interest and tax | 693.30 | 206.84 | 175.15 |
| | Capital Employed | 2,320.28 | 1,304.86 | 952.93 |
| | Return on Capital employed (ROCE) | 29.88% | 15.85% | 18.38% |
| | Variation | 88.50% | -13.76% | |
| | Reason | During the period there is increase in Profit and subsequent increase in capital employed in comparison to the previous year. | | |

The definitions of ratio / formulas used for actual computation are as follows:

- 1 Current Ratio = Current Assets/Current Liabilities
- 2 Debt Equity Ratio = Total Debt / Shareholders Equity
- 3 Debt Service Coverage Ratio = Earning available for Debt Service / Debt Service
- 4 Return on Equity (ROE) = Net Profit after taxes / Average Shareholders Equity
- 5 Inventory Turnover Ratio = Cost of goods sold / Average Inventory
- 6 Trade Receivables Turnover Ratio = Revenue from Operation / Average account receivable
- 7 Trade Payables Turnover Ratio = Cost of Material Consumed/ Average Trade Payables
- 8 Net Capital Turnover Ratio = Revenue from Operations / Working capital
- 9 Net Profit Ratio = Profit After Tax / Revenue from Operation
- 10 Return on Capital employed (ROCE) = Profit before interest and tax /(Networth+ Total Debt)

ANNEXURE- XXIX

DETAILS OF RELATED PARTIES TRANSACTIONS AS RESTATED

(a) Key Managerial Personnel (KMP):

| | |
|-----------------------------|--|
| Mr.Gaurav Dalal | Chairman & Managing Director |
| Ms.Nidhi Krutik Shah | Company Secretary |
| Mrs.Mansi Gaurav Dalal | Non-Executive Director (Resigned w.e.f. 27th June, 2024) |
| Mr.Dipesh Bhalchandra Dalvi | Chief Financial Officer |
| Mr.Vijay Dalal | Director (Resigned w.e.f. 17th April, 2024) |

(b) Promoters & their Relatives having control:

| | |
|------------------------|---|
| Mr.Gaurav Dalal | Chairman & Managing Director |
| Mrs.Mansi Gaurav Dalal | Director (Resigned w.e.f. 27th June, 2024) |
| Mr.Vijay Dalal | Director (Resigned w.e.f. 17th April, 2024) |
| Mr.Vishal Parekh | Relative of Director |
| Mr.Anil Parekh | Relative of Director |

(c) Companies over which Directors have significant influence or control:

Vinpra Engineering India Private Limited
(Mr. Gaurav Dalal resigned as a Director w.e.f. 26th September, 2022)

B. Details of related party transactions during the year:

(Rs. In Lakhs)

| Nature of Transactions | Name of Related Party | Relationship | Volume of Transaction During the Years | | |
|-----------------------------------|--|--|--|-------------------------|-------------------------|
| | | | Ended on March 31, 2024 | Ended on March 31, 2023 | Ended on March 31, 2022 |
| 1. Director's Remuneration | - Mr. Gaurav Dalal | Chairman & Managing Director | 18.00 | - | - |
| | - Mrs. Mansi Dalal | Director | 12.63 | 13.75 | 0.50 |
| | - Mr. Vijay Dalal | Director (Resigned w.e.f. 17th April , 2024) | 8.55 | - | - |
| 2. Professional Fees | - Mr. Gaurav Dalal | Chairman & Managing Director | 16.00 | 22.50 | 19.50 |
| | - Mrs. Mansi Dalal | Director | - | - | 19.00 |
| | - Mr. Vijay Dalal | Director (Resigned w.e.f. 17th April , 2024) | 4.85 | 13.50 | 3.30 |
| 3. Sales | - Vinpra Engineering India Private Limited (Mr. Gaurav Dalal resigned as a director w.e.f 26th September, 2022) | Companies over which KMP's have significant influence or control | 765.70 | 8.35 | 0.19 |
| 4. Unsecured Loan | - Mr. Gaurav Dalal | Chairman & Managing Director | | | |
| | Opening Balance | | 4.58 | - | 48.27 |
| | Add: Loan Received During the Year | | 61.90 | 54.29 | 0.55 |
| | Less: Loan Repaid During the year | | 61.27 | 49.71 | 48.82 |
| | Closing Balance | | 5.21 | 4.58 | - |
| 5. Loan Advanced | - Mr. Vishal Parekh | Relative of Director | | | |
| | Opening Balance | | 1.05 | 30.26 | 30.65 |
| | Add: Loan Advanced During the Year | | - | 1.45 | - |
| | Less: Repayment Received During the year | | 1.05 | 30.65 | 0.40 |
| | Closing Balance | | - | 1.05 | 30.26 |
| | - Mr. Anil Parekh | Relative of Director | | | |
| | Opening Balance | | - | - | 13.50 |
| | Add: Loan Advanced During the Year | | - | - | - |
| | Less: Repayment Received During the year | | - | - | 13.50 |
| Closing Balance | | - | - | - | |
| 6. Trade Receivable | - Vinpra Engineering India Private Limited (Mr. Gaurav Dalal resigned as a director w.e.f 26th September, 2022) | Companies over which KMP's have significant influence or control | | | |
| | Opening Balance | | 2.08 | 0.25 | 0.25 |
| | Add: Debit Transactions | | 894.74 | 40.39 | 16.00 |
| | Less: Credit Transactions | | 737.89 | 38.56 | 16.00 |
| | Closing Balance | | 158.93 | 2.08 | 0.25 |

ANNEXURE- XXX

RESTATED STATEMENT OF CAPITALIZATION AS AT MARCH 31, 2024

| (Rs. in lakhs) | | |
|---|------------------|-------------------|
| Particulars | Pre Issue | Post Issue |
| Borrowings | | |
| Short-Term Borrowings (A) | 911.21 | (*) |
| Long-Term Borrowings (B) | 187.09 | (*) |
| Total Borrowings (C) | 1098.3 | (*) |
| | | |
| Shareholder's Fund (Equity) | | |
| Share Capital | 850.00 | (*) |
| Reserve & Surplus | 371.98 | (*) |
| Total Shareholder's Fund (D) | 1221.98 | (*) |
| | | |
| Long-Term Borrowings/ Equity (B/D) | 0.15 | (*) |
| Total Borrowings/ Equity (C/D) | 0.90 | (*) |

Notes:

1. The figures disclosed above are based on the restated summary of Profit & Losss of the Company.
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

ANNEXURE- XXXI

STATEMENT OF TAX SHELTER AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|--------------------------|--------------------------|
| Profit before tax, as restated (A) | 553.01 | 62.78 | 28.99 |
| Normal Corporate Tax Rate (%) | 27.82% | 27.82% | 27.82% |
| Minimum Alternate Tax Rate (%) | 16.69% | 16.69% | 16.69% |
| As per Section 115BAA Rate (%) | 25.17% | 25.17% | 25.17% |
| Adjustments: | | | |
| Permanent Differences | | | |
| <i>Expenses disallowed under Income Tax Act, 1961</i> | | | |
| Gratuity Provision | 2.16 | 1.21 | 2.03 |
| Other disallowance including u/s 36 & 37 | 7.36 | 1.69 | 1.65 |
| Total Permanent Differences (B) | 9.52 | 2.90 | 3.68 |
| Income considered separately (C) | -2.03 | - | - |
| Timing Differences | | | |
| Depreciation as per Books | 51.34 | 30.15 | 20.49 |
| Depreciation as per Income Tax Act | 51.64 | 34.25 | 20.54 |
| Other disallowances including under section 43B | - | - | - |
| Total Timing Differences (D) | -0.30 | -4.10 | -0.05 |
| Net adjustments (E) = (B+C+D) | 7.20 | -1.20 | 3.63 |
| Tax expenses/(saving) thereon on net adjustment | 1.81 | -0.30 | 0.91 |
| Income from other sources (F) | 8.30 | 3.06 | 1.13 |
| Exempt Income/ Non-Taxable (G) | - | - | - |
| Income/ (Loss) (A+E+F-G) | 568.51 | 64.64 | 33.76 |
| Brought Forward Loss Set Off | | | |
| - Ordinary Business Loss & Unabsorbed Depreciation | -13.40 | -31.58 | -35.18 |
| Deductions under Chapter-VIA | | | - |
| Taxable income/(loss) | 555.11 | 33.06 | -1.42 |
| Tax as per Normal Provisions | 154.43 | 9.20 | -0.40 |
| Tax as per Section 115BAA | 139.72 | 8.32 | -0.36 |
| Income as per MAT | 553.01 | 62.78 | 28.99 |
| Taxable Income/(Loss) as per MAT | 553.01 | 17.80 | -3.45 |
| Tax as per MAT | 92.30 | 2.97 | -0.58 |
| Tax Paid as per- | Section 115BAA | Normal Provisions | Normal Provisions |

ANNEXURE- XXXII

DETAILS OF CONTINGENT LIABILITIES & COMMITMENTS AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|------------------------|-------------------------|-------------------------|-------------------------|
| Contingent liabilities | NIL | NIL | NIL |

ANNEXURE- XXXIII

OTHER FINANCIAL INFORMATION AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| Restated PAT as per statement of Profit & Loss (For Basic EPS Purpose) (A) | 413.27 | 45.56 | 28.98 |
| Add: Depreciation | 51.34 | 30.15 | 20.49 |
| Add: Finance Cost | 140.29 | 144.06 | 146.16 |
| Add: Income Tax/ Deferred Tax | 139.71 | 17.22 | 0.01 |
| Add: Preference Dividend | 0.03 | - | - |
| Less: Other Income | 8.81 | 3.51 | 1.13 |
| Restated Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA) | 735.83 | 233.48 | 194.51 |
| EBITDA Margin (%) | 20.15% | 14.24% | 16.02% |
| Number of Equity Shares at the end of the period (B) | 35,20,000 | 35,00,000 | 5,50,000 |
| Number of Equity Shares considering Bonus Impact (C) (Post Bonus after restated period with retrospective effect) | 35,20,000 | 35,00,000 | 5,50,000 |
| Net Worth, as restated (D) | 1,221.98 | 312.21 | -24.64 |
| Earnings per Share | | | |
| Restated Basic EPS (Before Bonus) (A/B) | 11.74 | 1.30 | 5.27 |
| Restated Basic EPS (After Bonus) (A/C) | 11.74 | 1.30 | 5.27 |
| Return on Net Worth (%) (A/D) | 33.82% | 14.59% | -117.61% |
| Net Assets value per Equity Share (Before Bonus) (D/B) | 34.72 | 8.92 | -4.48 |
| Net Assets value per Equity Share (After Bonus) (D/C) | 34.72 | 8.92 | -4.48 |

The definitions of ratio / formulas used for actual computation are as follows:

- Restated EBITDA=Restated PAT+Depreciation+Finance cost+Income tax+Preference Dividend-other income
- EBITDA Margin=EBITDA/REVENUE FROM OPERATION
- Restated Basic EPS (Before Bonus) (A/B)=Restated PAT/No of shares at the end of period
- Restated Basic EPS (After Bonus) (A/C)=Restated PAT/No of shares after bonus
- Return on Net Worth (%) (A/D)=Restated PAT/No of shares after bonus
- Net Assets value per Equity Share (Before Bonus) (D/B)=Net worth restated/No of equity shares at the end of the Period
- Net Assets value per Equity Share (After Bonus) (D/C)=Net worth restated/No of equity shares after Bonus Impact

ANNEXURE- XXXIV

Notes to the Standalone Restated Financial Statements:

I. Long Term Employee Benefits [AS-15]- Defined Benefits Plans:

Accounting Standard (AS)- 15 issued by ICAI is mandatory. The Company has accounted for Long Term employee benefits based on Actuarial Valuation report.

Assumption used by Actuarial for Gratuity Provision

| Particulars | For the period ended on | | |
|---|--|--|--|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Discount Rate | 7.25% per annum | 7.25% per annum | 7.25% per annum |
| Salary Growth Rate | 5.00% per annum | 5.00% per annum | 5.00% per annum |
| Mortality | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 |
| Expected rate of return | - | - | - |
| Withdrawal rate | 10% per annum | 10% per annum | 10% per annum |
| Normal Retirement Age | 60 Years | 60 Years | 60 Years |
| Salary | Last drawn qualifying salary | Last drawn qualifying salary | Last drawn qualifying salary |
| Vesting Period | 5 Years of service | 5 Years of service | 5 Years of service |
| Benefits on Normal Retirement | 15/26*Salary*Past Service (Yr.) | 15/26*Salary*Past Service (Yr.) | 15/26*Salary*Past Service (Yr.) |
| Benefit on early exit due to death and disability | As above except that no vesting conditions apply | As above except that no vesting conditions apply | As above except that no vesting conditions apply |
| Limit | 20,00,000 | 20,00,000 | 20,00,000 |

Assumption used by Actuarial for Leave Encashment Provision

| Particulars | For the period ended on | | |
|---|--|--|--|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Discount Rate | 7.25% per annum | 7.25% per annum | 7% per annum |
| Salary Growth Rate | 5.00% per annum | 5.00% per annum | 5.00% per annum |
| Mortality | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 |
| Expected rate of return | - | - | - |
| Withdrawal rate | 10.00% per annum | 10.00% per annum | 10.00% per annum |
| Normal Retirement Age | 60 Years | 60 Years | 60 Years |
| Salary | As per rules of the company | As per rules of the company | As per rules of the company |
| Benefits on Normal Retirement | 1/30*Salary*Number of leaves | 1/30*Salary*Number of leaves | 1/30*Salary*Number of leaves |
| Benefit on early exit due to death and disability | As above , subjected to rules of the company | As above , subjected to rules of the company | As above , subjected to rules of the company |

(Source: Based on Valuation report Mr. Ashok Kumar Garg (Fellow Member of Institute of Actuaries of India -00057))

ANNEXURE- XXXIV

II. Details on derivative instruments and unhedged foreign currency exposures

(Rs. in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|-------------------------|
| The year-end foreign currency exposures that have been hedged by a derivative instrument | NIL | NIL | NIL |
| The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise | NIL | NIL | NIL |

III. Income and Expenditure in Foreign Currency

i Income earned in foreign currency (accrual basis)

(Rs. in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|-------------------|-------------------------|-------------------------|-------------------------|
| Sales of Products | - | 0.72 | 4.09 |
| Total | - | 0.72 | 4.09 |

ii Expenditure incurred in foreign currency (accrual basis)

(Rs. in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| Purchases of Raw Material and Traded Goods | - | - | - |
| Total | - | - | - |

IV. Segment Information

The Company operates in a single reportable segment which is governed by same set of risks and returns, thus the reporting requirements under Accounting Standard 17 'Operating Segments' have not been presented in the financial statements.

V. Restated Standalone Statement of Earnings per Equity Share

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| Before Exceptional Items | | | |
| 1. Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs) | 413.27 | 45.56 | 28.98 |
| 2. Weighted Average number of equity shares used as denominator for calculating EPS (Pre-Bonus) | 35,20,000 | 35,00,000 | 5,50,000 |
| 3. Weighted Average number of equity shares used as denominator for calculating EPS (Post-Bonus) | 35,20,000 | 35,00,000 | 5,50,000 |
| 4. Basic and Diluted Earning per Share (On Face value of Rs. 10/ per share) (Pre-Bonus) | 11.74 | 1.30 | 5.27 |
| 5. Basic and Diluted Earning per Share (On Face value of Rs. 10/ per share) (Post-Bonus) | 11.74 | 1.30 | 5.27 |

VI. Details of CSR

(Rs. in lakhs)

| Particulars | For the period ended on | | |
|--|-------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| 1. Amount Required to be spent during the year | NA | NA | NA |
| 2. Amount of expenditure incurred | NA | NA | NA |
| 3. Shortfall at the end of the year | NA | NA | NA |
| 4. Total of previous years shortfall | NA | NA | NA |
| 5. Reasons for shortfall | NA | NA | NA |
| 6. Nature of CSR Activities | NA | NA | NA |

VII. Additional regulatory information

(a) Relationship with struck off companies

The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2024, 2023 & 2022.

(b) Compliance with approved scheme of arrangements

The Company is not engaged in any scheme of arrangements.

(c) Details of crypto currency or virtual currency

The Company has neither traded nor invested in Crypto currency or Virtual Currency during the year ended March 31, 2024, 2023 & 2022. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

(d) Undisclosed income

During the Periods, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(e) Compliance with numbers of layers of companies

The Company is in compliance with the number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended March 31, 2024, 2023 & 2022.

(f) Whistleblower Complaint

The Company has not received any whistleblower complaint during the year. No frauds had been noticed by or reported to the Company.

(g) Utilisation of borrowed funds and share premium

During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

(h) There are no proceedings initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(i) The Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

VI. Material Regroupings:

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

VIII. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Based on the information available with the Company in respect of MSME (as defined in the Micro, Small and Medium Enterprises Development Act, 2006) and as confirmed to us there are no delays in payment of dues to such enterprise during the year.

The identification of Micro, Small and Medium Enterprises Suppliers as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the management as disclosed in the Annexure IX. As certified by the management, the amounts overdue as on the year ended March 31, 2024, 2023 & 2022 to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to Rs. 1,49,83,500.

IX. Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits

Balances of Trade Receivables, Trade Payables, Borrowings and Loans & Advances and Deposits are subject to confirmation.

X. Re-grouping/re-classification of amounts

The figures have been grouped and classified wherever they were necessary.

XI. Pending Litigations

1. There are outstanding demands of Rs. 10.25 Lakhs related to TDS defaults appearing on the TRACES portal as on date of preparation of the Restated Financial Statements. The defaults mainly relates to the short payment and short deduction of TDS, interest under section 201 and late filing fees under section 234E of Income Tax Act, 1961. The Income Tax Authorities has issued communication notices in this regard and the Authorities may at any time issue recovery notices in which event the same shall become payable. The company has made payment of Rs. 13.78 Lakhs against the outstanding demands.

2. There is outstanding demand of Rs. 2.05 Lakhs raised by the Income Tax Authorities under section 143(1)(a) of the Income Tax Act, 1961 for the Financial Year 2020-21. The Company has disputed the said demand and is currently pending.

However, as per details available on the Income Tax Portal, the amount of Rs. 62,800/- in addition to an interest of Rs. 31,825/- is payable by the company.

XII. Deferred Tax Asset / Liability: [AS-22]

The company has created Deferred Tax Asset / Liability as required by Accounting Standard (AS)-22.

OTHER FINANCIAL INFORMATION

(Rs. in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------------|----------------------------|----------------------------|
| Restated PAT as per statement of Profit & Loss (For Basic EPS Purpose) (A) | 413.27 | 45.56 | 28.98 |
| Add: Depreciation | 51.34 | 30.15 | 20.49 |
| Add: Finance Cost | 140.29 | 144.06 | 146.16 |
| Add: Income Tax/ Deferred Tax | 139.71 | 17.22 | 0.01 |
| Add: Preference Dividend | 0.03 | - | - |
| Less: Other Income | 8.81 | 3.51 | 1.13 |
| Restated Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA) | 735.83 | 233.48 | 194.51 |
| EBITDA Margin (%) | 20.15% | 14.24% | 16.02% |
| Number of Equity Shares at the end of the period (B) | 35,20,000 | 35,00,000 | 35,00,000 |
| Number of Equity Shares considering Bonus and Share Split Impact (C) | 35,20,000 | 35,00,000 | 35,00,000 |
| (Post Bonus after restated period with retrospective effect) | | | |
| Net Worth, as restated (D) | 1,221.98 | 312.21 | (24.64) |
| Earnings per Share | | | |
| Restated Basic EPS (Before Bonus and Share Split) (A/B) | 11.74 | 1.30 | 5.27 |
| Restated Basic EPS (After Bonus and Share Split) (A/C) | 11.74 | 1.30 | 5.27 |
| Return on Net Worth (%) (A/D) | 33.82% | 14.59% | (117.61)% |
| Net Assets value per Equity Share (Before Bonus and Share Split) (D/B) | 34.72 | 8.92 | (4.48) |
| Net Assets value per Equity Share (After Bonus and Share Split) (D/C) | 34.72 | 8.92 | (4.48) |

The definitions of ratio / formulas used for actual computation are as follows:

Restated EBITDA = Restated PAT + Depreciation + Finance cost + Income tax + Preference Dividend - other income

EBITDA Margin = EBITDA/ Revenue from Operations

Restated Basic EPS (Before Bonus) (A/B) = Restated PAT/No of shares at the end of period

Restated Basic EPS (After Bonus) (A/C) = Restated PAT/No of shares after bonus

Return on Net Worth (%) (A/D) = Restated PAT/Net Worth restated

Net Assets value per Equity Share (Before Bonus) (D/B) = Net worth restated/No of equity shares at the end of the Period

Net Assets value per Equity Share (After Bonus) (D/C) = Net worth restated/No of equity shares after Bonus Impact

CAPITALISATION STATEMENT

RESTATED STATEMENT OF CAPITALIZATION AS AT MARCH 31, 2024

(Rs. in lakhs)

| Particulars | Pre-Issue | Post Issue |
|---|-----------------|------------|
| Borrowings | | |
| Short-Term Borrowings (A) | 911.21 | (*) |
| Long-Term Borrowings (B) | 187.09 | (*) |
| Total Borrowings (C) | 1,098.30 | (*) |
| | | |
| Shareholder's Fund (Equity) | | |
| Share Capital | 850.00 | (*) |
| Reserve & Surplus | 371.98 | (*) |
| Total Shareholder's Fund (D) | 1,221.98 | (*) |
| | | |
| Long-Term Borrowings/ Equity (B/D) | 0.15 | (*) |
| Total Borrowings/ Equity (C/D) | 0.90 | (*) |

*The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

1. The figures disclosed above are based on the restated summary of Profit & Losses of the Company
2. The above statement should be read with the notes to restated summary statements of assets & liabilities, profit & losses, cash flows & significant accounting policies and notes appearing in Annexure I, II, III & IV respectively.

FINANCIAL INDEBTEDNESS

Our Company has availed borrowings in the ordinary course of our business. Set forth below is a brief summary of our aggregate outstanding borrowings as on March 31, 2024:

(₹ in Lakhs)

| Nature of Borrowing | Amount |
|----------------------|-----------------|
| Secured Borrowings | 1,084.08 |
| Unsecured Borrowings | 14.22 |
| Total | 1,098.30 |

DETAILS OF BORROWINGS:

| S. No. | Lender | Loan (Rs in Lakhs) | Amount Outstanding as at March 31, 2024 (Rs in Lakhs) | Rate of Interest | Repayment Terms |
|-----------------------------|---|--------------------|---|------------------|------------------------|
| Secured Borrowings | | | | | |
| 1 | Vasai Vikas Sahakari Bank Limited | 28.00 | 6.90 | 12% per annum | Repayable in 84 months |
| 2 | Vasai Vikas Sahakari Bank Limited | 8.50 | 1.13 | 11.75% per annum | Repayable in 91 months |
| 3 | Vasai Vikas Sahakari Bank Limited | 150.00 | 32.79 | 12.00% per annum | Repayable in 90 months |
| 4 | Vasai Vikas Sahakari Bank Limited | 275.00 | 65.63 | 12.00% per annum | Repayable in 91 months |
| 5 | Vasai Vikas Sahakari Bank Limited | 50.00 | 32.88 | 10% per annum | Repayable in 84 months |
| 6 | Vasai Vikas Sahakari Bank Limited | 50.00 | 32.92 | 10.50% per annum | Repayable in 84 months |
| 7 | Vasai Vikas Sahakari Bank Limited | 55.00 | 53.13 | 9.75% per annum | Repayable in 84 months |
| 8 | Vasai Vikas Sahakari Bank Limited | 90.00 | 82.21 | 10.50% per annum | Repayable in 84 months |
| 9 | Vasai Vikas Sahakari Bank Limited | 600.00 | 588.44 | 10.50% per annum | - |
| 10 | The National Small Industries Corporation Limited | 200.00 | 178.77 | 9.00% per annum | Repayable in 180 Days |
| 11 | Mahindra and Mahindra Finance | 10.80 | 9.29 | 14.23% per annum | Repayable in 60 Months |
| Unsecured Borrowings | | | | | |
| 12 | Richbond Capital | 36.00 | 9.00 | 27.45% per annum | Repayable in 12 Months |
| 13 | Gaurav Dalal | - | 5.22 | - | - |

As certified by M/s. Vinay Bhushan & Associates, Chartered Accountants, by way of their certificate dated, July 12, 2024.

Notes:

- Prime: Hypothecation of machinery to be purchased- Two Ace Slant Bed CNC Lathe Super Jobber LM machine. Collateral: Extension of Equitable Mortgage of 1) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 2) 1) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal
- Prime: Hypothecation of proposed machinery. Collateral: Extension of Equitable Mortgage of Flat No. 41 & 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai.
- Collateral: Extension of Equitable Mortgage of 1) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane,

- Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 2) 1) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal
4. Prime: Registererd Mortgage of Plot No. 30 & Plot No.31 Gut No. 243 (Part) . 244 & 295 (Part0 & S.No 27 (Part) 84 & 26 (Part), Land area admeasuring about 1475 Sq. Mtrs & 1538 Sq.Mtrs. Respectively and 31000.00 Sq.ft and construction area approx. 16000 Sq.ft lying, being and situated at Genesis Industrial Township, Phase I, Village Kolgoan, Off. Palghar- Boisar Road, Palghar East, District- Palghar in the name of the company to be kept in favour of the Bank
 5. In respect of Loan number 5 & 6: Prime Security and Collateral Seciruty: Registererd Mortgage of Plot No. 30 & Plot No.31 Gut No. 243 (Part) 244 & 295 (Part0 & S.No 27 (Part) 84 & 26 (Part), Land area admeasuring about 1475 Sq. Mtrs & 1538 Sq.Mtrs. Respectively and 31000.00 Sq.ft and construction area approx. 16000 Sq.ft lying, being and situated at Genesis Industrial Township, Phase I, Village Kolgoan, Off. Palghar- Boisar Road, Palghar East, District- Palghar in the name of the company to be kept in favour of the Bank Extension of Equitable Mortgage on 1) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 2) 1) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal
 6. In respect of Loan number 7: Hypothecation of Vehicle- New E-Class-CKD V213. E200 Exclusive MY 23,1.0 Mercedes- Benz Colour- 149U Polar White Non Metallic.
 7. In respect of Loan number 8: Collateral: 1.) Registererd Mortgage of Plot No. 30 & Plot No.31 Gut No. 243 (Part) . 244 & 295 (Part0 & S.No 27 (Part) 84 & 26 (Part), Land area admeasuring about 1475 Sq. Mtrs & 1538 Sq.Mtrs. Respectively and 31000.00 Sq.ft and construction area approx. 16000 Sq.ft lying, being and situated at Genesis Industrial Township, Phase I, Village Kolgoan, Off. Palghar- Boisar Road, Palghar East, District- Palghar in the name of the company to be kept in favour of the Bank 2) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 3) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal 4) Hypothecation of all developed Die. Patterns, Existing & New Machinery 5) Bank's FDRs Worth Rs. 22.35 lakhs.
 8. In respect of Loan number 9: Prime: Hypothecation of paid Stock and Book Debt of not more than 90 days.Collateral: 1.) Registererd Mortgage of Plot No. 30 & Plot No.31 Gut No. 243 (Part) . 244 & 295 (Part0 & S.No 27 (Part) 84 & 26 (Part), Land area admeasuring about 1475 Sq. Mtrs & 1538 Sq.Mtrs. Respectively and 31000.00 Sq.ft and construction area approx. 16000 Sq.ft lying, being and situated at Genesis Industrial Township, Phase I, Village Kolgoan, Off. Palghar- Boisar Road, Palghar East, District- Palghar in the name of the company to be kept in favour of the Bank 2) Flat No. 41, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mr. Vijay P. Dalal 3) Flat No. 42, area admeasuring about 540 Sq.ft (Built up) on the Fourth floor in the Building No. B/1 known as "Andheri Panchvati CHSL" lying being and situated at Juhu Lane, Andheri West. Mumbai, owned by Mrs. Usha Vijay Dalal 4) Hypothecation of all developed Die. Patterns, Existing & New Machinery 5) Bank's FDRs Worth Rs. 22.35 lakhs.
 9. In respect of Loan number 10: Security: Bank Guarantee equivalent to the value of limit sanctioned from any Nationalized Bank/Approval Bank of NSIC on the prescribed format on Non-Judicial Stamp paper? Franking Paper of Rs. 500.00 (stamp paper must be on the same bank) and it should be transmitted through SFMS gateway.
 10. In respect of Loan number 11: Hypothecation of Vehicle- Maruti Grand Vitara- IE Strong Hybrid Alpha Plus 1.5L CVT

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations for the financial years ended on 2024, 2023 and 2022 is based on, and should be read in conjunction with, our Restated Financial Statements, including the schedules, notes and significant accounting policies thereto, included in the chapter titled “Restated Financial Statements” beginning on page 204 of this Red Hering Prospectus (RHP). Our Restated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Red Hering Prospectus (RHP). You should also read the section titled “Risk Factors” beginning on page 29 of this Red Hering Prospectus (RHP), which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Rappid Valves (India) Limited. Unless otherwise indicated, financial information included herein are based on our “Restated Financial Statements” for the financial years ended on 2024, 2023 and 2022 included in this Red Hering Prospectus (RHP) beginning on page 204 of this Red Hering Prospectus (RHP).

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be “Forward Looking Statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

OVERVIEW

Rappid Valves (India) Limited recognized by its brand name “Rapid” also known as “Rappid Valves”, being an Engineering Company, is primarily engaged in the manufacturing of Valve solutions. Our extensive product portfolio encompasses a vast range of valves which includes Ball valves, Gate Valves, Globe Valves, Butterfly Valves, Check Valves, Double Block valves, Strainer Valves and Marine Valves which are manufactured using ferrous and non-ferrous materials, sizes ranging from 15mm to 600mm catering to diverse requirement. Our Company was established in the year 2002 vide Certificate of Incorporation dated May 24, 2002 as a Private Limited Company under the name Rapid Valves (India) Private Limited with Mr. Gaurav Vijay Dalal and Ms. Usha Vijay Dalal as the initial subscribers of our Company.

Key Performance Indicators of our Company.

(₹ in lakhs)

| Key Financial Performance | For the Financial Year ended | | |
|----------------------------------|------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Revenue from Operations (1) | 3,651.25 | 1,639.91 | 1,214.11 |
| EBITDA (2) | 735.83 | 233.48 | 194.51 |
| EBITDA Margin (%) (3) | 20.15% | 14.24% | 16.02% |
| PAT | 413.27 | 45.56 | 28.98 |
| PAT Margin (%) (4) | 11.32% | 2.78% | 2.39% |
| Return on Equity (%) (5) | 53.88% | 31.69% | -82.09% |
| Debt to Equity Ratio (times) (6) | 0.90 | 3.18 | (39.67) |
| Current Ratio (times) (7) | 1.48 | 1.04 | 0.80 |

Explanation of KPIs:

- (1) Revenue from operations means the revenue from operations as appearing in the restated financial information.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses + Preference dividend – Other Income.
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- (4) PAT Margin is calculated as PAT for the year divided by revenue from operations.
- (5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity.

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

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

Explanation for KPI metrics

| Key Financial Performance | Explanations |
|---------------------------|--|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our Business |
| PAT | Profit after tax provides information regarding the overall profitability of the business |
| PAT Margin | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business. |

Operational KPI's of the Company:

(₹ in lakhs)

| Key Financial Performance | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|----------------|
| Revenue Split between Domestic sales and Export sales | | | |
| Domestic sales* | 3,695.50 | 1,545.50 | 1,296.98 |
| Export sales* | - | 0.72 | 4.09 |
| Domestic sales (%) | 100% | 99.95% | 99.69% |
| Export sales (%) | - | 0.05% | 0.31% |

*As per Restated financial statements

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to the chapter titled “Restated Financial Statements” beginning on page 204 of this Red Hering Prospectus (RHP).

Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 29 of this Red Hering Prospectus (RHP). Our results of operations and financial conditions are affected by numerous factors including the following:

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

RESULTS OF OUR OPERATION

(₹ in Lakhs)

| Particulars | For The Year Ended 31st March | | | | | |
|---|-------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|
| | 2024 | % of Total Revenue | 2023 | % of Total Revenue | 2022 | % of Total Revenue |
| Revenue: | | | | | | |
| Revenue from operations | 3,651.25 | 99.76% | 1,639.91 | 99.79% | 1,214.11 | 99.91% |
| Other income | 8.81 | 0.24% | 3.51 | 0.21% | 1.13 | 0.09% |
| TOTAL INCOME | 3,660.06 | 100.00% | 1,643.42 | 100.00% | 1,215.24 | 100.00% |
| Expenses: | | | | | | |
| (a) Cost of Material Consumed | 2,998.44 | 81.92% | 1,373.94 | 83.60% | 924.68 | 76.09% |
| (b) Purchase of stock-in-trade | - | 0.00% | - | 0.00% | - | 0.00% |
| (c) Increase/Decrease in Stock in trade | (335.88) | -9.18% | (188.70) | -11.48% | (27.00) | -2.22% |
| (d) Employee benefits expense | 103.09 | 2.82% | 63.06 | 3.84% | 48.10 | 3.96% |
| (e) Finance costs | 140.29 | 3.83% | 144.06 | 8.77% | 146.16 | 12.03% |
| (f) Depreciation and amortisation expense | 51.34 | 1.40% | 30.15 | 1.83% | 20.49 | 1.69% |
| (g) Other expenses | 149.76 | 4.09% | 158.13 | 9.62% | 73.82 | 6.07% |
| TOTAL EXPENSES | 3,107.04 | 84.89% | 1,580.64 | 96.18% | 1,186.25 | 97.61% |
| | | | | | | |
| Profit / (Loss) before tax | 553.01 | 15.11% | 62.78 | 3.82% | 28.99 | 2.39% |
| Tax expenses: | | | | | | |
| (a) Current tax expense | 137.2 | 3.75% | 8.00 | 0.49% | - | - |
| (b) Earlier year Tax | 0.84 | 0.02% | - | 0.00% | - | - |
| (c) Deferred tax expense / (benefit) | 1.67 | 0.05% | 9.22 | 0.56% | 0.01 | 0.00% |
| Net tax expense/(benefit) | 139.71 | 3.82% | 17.22 | 1.05% | 0.01 | 0.00% |
| | | | | | | |
| Preference Share Dividend | 0.03 | 0.00% | - | - | - | - |
| | | | | | | |
| Profit / (Loss) for the year | 413.27 | 11.29% | 45.56 | 2.77% | 28.98 | 2.38% |

Review of Restated Financials,

Key Components of Company's Profit and Loss Statement

Revenue from operations: Revenue from operations mainly consists from Sales of products.

Other Income: Other Income Consist of Interest Income, Discount Received & Other Misc. Income.

Expenses: Company's expenses consist of, Cost of Material Consumed, Changes in Inventories of Finished Goods & Stock in Trade, Depreciation Expenses, Employee Benefit Expenses, Finance Cost & Other Expenses.

Cost of Material Consumed: Cost of Material Consumed consist of Opening Stock, Purchase of Raw Material, Direct Expenses & Closing Stock.

Change in inventory of Stock in Trade: Change in inventory of Stock in Trade consists of difference between opening & closing value of Stock.

Employee Benefits Expense: Employee benefit expenses includes Salaries and Wages, Directors Remuneration & Contribution to Statutory Funds, Gratuity Expenses etc.

Finance Cost: Finance Cost includes Interest paid on borrowings & Bank Charges.

Depreciation and Amortization Expense: We recognize Depreciation and Amortization expense on a SLM Basis as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

Other Expenses: Other expenses include Rent, Repair & Maintenance, Travelling & Conveyance etc.

Fiscal 2024 compared with Fiscal 2023

The total income of Rappid Valves (India) Limited in FY 2024 was ₹ 3,660.06 lakhs whereas the same was ₹ 1,643.22 lakhs in FY 2023. Total income in FY 2024 increased by 122.71% as compared to FY 2022-23. Total income comprises of Revenue from Operations and Other Income. Detailed justification for increase in Revenue from Operations and Other Income have been explained in the following paragraphs.

Revenue from Operation

Revenue from operations for FY 2023-24 amounted to ₹ 3,651.25 lakhs while revenue for FY 2022-23 was ₹ 1,639.91 lakhs. Revenue in FY 2023-24 was higher by 122.65% from FY 2022-23.

In FY 2023-24, the company generated sales from clients which were engaged in the Marine, Shipbuilding, EPC and OEM industries. The cumulative sales from these industries contributed to ₹ 2068.7 lakhs which is around 56.66% of the sales of FY 2023-24. Further, the company received funding of ₹ 500.00 lakhs from Maharashtra Defence and Aerospace Venture fund which helped to boost sales during FY 2023-24. Industry wise revenue bifurcation of Rappid Valves indicating sales growth during FY 2022-23 and FY 2023-24 has been summarized in the table below:

| Industry | FY 2022-23 | FY 2023-24 |
|--|-----------------|-----------------|
| Marine | 8.40 | 1,069.80 |
| Ethanol, Breweries and Industrial Wastewater Treatment | 1,343.30 | 1,098.80 |
| Shipbuilding & Repair | - | 401.00 |
| EPC & OEM | 15.10 | 597.90 |
| Fire Safety | 1.30 | 125.30 |
| Chemicals | 90.20 | 113.00 |
| Steel | 17.80 | 81.40 |
| Others | 163.70 | 164.00 |
| Total | 1,639.80 | 3,651.20 |

Further, the company produced 25,181 units of Valves during FY 2023-24 as compare to 12,870 units of Valves in FY 2022-23 which indicate substantial increase in the business activity.

| Sr. No. | Products | Installed Capacity (In units) | Actual Production (In units) | Utilization Rate |
|---------|-------------------------------------|-------------------------------|------------------------------|------------------|
| A | Year-April 2021 - March 2022 | | | |
| | Industrial and Marine Valves | 11250 | 7260 | 64.5% |
| B | Year-April 2022 - March 2023 | | | |
| | Industrial and Marine Valves | 22000 | 12870 | 58.5% |
| C | Year-April 2023 - March 2024 | | | |
| | Industrial and Marine Valves | 29625 | 25181 | 85.0% |

Other Income

Other Income in FY 2023-24 amounts to ₹ 8.81 Lakhs the same was ₹ 3.51 lakhs in FY 2022-23 indicating an increase by ₹ 5.30 lakhs. Other Income consists of Interest income, Discount & Rebate and Foreign Exchange gain. Breakup of Other Income in FY 2023-24 and FY 2022-23 is as follows:

(Amount in ₹)

| Particulars | FY 2022-23 | FY 2023-24 |
|-----------------------|----------------|----------------|
| Discount & rebates | 37,300 | 50,500 |
| Interest Income | 306,600 | 823,100 |
| Foreign Exchange Gain | 6,700 | 7,300 |
| Total | 350,600 | 880,900 |

There was a substantial increase in Interest Income in FY 2023-24 as compared to FY 2022-23 which contributed to overall increase in Other Income.

Cost of Material Consumed

Cost of Material Consumed had increased by 118.24% from ₹ 1,373.94 lakhs in FY 2022-23 to ₹ 2,998.44 lakhs in FY 2023-24. This increase was due to increase in purchases during the year.

Change in inventory of Stock in trade

Change in inventory of Stock in trade had increased by 78.00% from ₹ (118.70) lakhs in FY 2022-23 to ₹ (335.88) lakhs in FY 2023-24. This increase was primarily due to higher closing inventories during the year. Increase in sales and new orders were the main driving force where the company had to keep inventory in hand to meet the additional demand from customers as well execute new orders.

Employee Benefit Expenses

Employee benefit expenses has increased by 63.48% from ₹ 63.06 lakhs in FY 2022-23 to ₹ 103.09 lakhs in FY 2023-24. This increase was due to increase in salaries and wages, director's remuneration and staff welfare expenses during FY 2023-24.

Finance Cost

Finance Cost has decreased by 2.62 % from ₹ 144.06 lakhs in FY 2022-23 to ₹ 140.29 lakhs in FY 2023-24.

Depreciation and Amortization Expenses

Depreciation has increased by 70.28% from ₹ 30.15 lakhs in FY 2022-23 to ₹ 51.34 lakhs in FY 2023-24. The company charges depreciation on WDV basis. Depreciation increased as the company made additions to their fixed assets during FY 2023-24.

Other Expenses

Other expenses have decreased by 5.29% from ₹ 158.13 lakhs in FY 2022-23 to ₹ 149.76 lakhs in FY 2023-24.

Tax Expenses

The Company's total tax expenses have increased from ₹ 17.22 lakhs in FY 2022-23 to ₹ 139.71 lakhs in FY 2023-24. Increase in profits have attracted more tax liability during FY 2023-24.

Profit After Tax

The Profit after tax for FY 2023-24 was ₹ 413.27 Lakhs representing 11.29% of Total Revenue as compared to ₹ 45.56 Lakhs representing 2.77% of Total Revenue in FY 2022-2023. In FY 2023-24 the Profit After Tax (PAT) has seen substantial growth. This can be attributed to the significant increase in sales. Timely payments to our suppliers have also resulted in cash discounts, further contributing to our profitability. Additionally, the bulk procurement of raw materials resulted in cost savings, thereby enhancing the company's profit margin. On the other hand, the company's fixed cost has remained constant. All these factors in totality have led to a considerable increase in the PAT for FY 2023-24.

Rationale for increase in PAT and PAT Margin in FY 2024:

The Profit after tax for FY 2023-24 was ₹ 413.27 Lakhs representing 11.29% of Total Revenue as compared to ₹ 45.56 Lakhs representing 2.77% of Total Revenue in FY 2022-2023. In FY 2023-24 the Profit After Tax (PAT) has seen substantial growth. This can be attributed to the significant increase in sales.

The company could maintain their gross profit margin of 27.5% in FY 2023-24 which is almost in the same range of FY 2022-23. The company generated higher gross profit in terms of absolute number due to increase sales whereas the indirect cost did not increase drastically in proportion to revenue which contributed to higher EBITDA of 20.3% in FY 2023-24 as compared to 14.3% in FY 2022-23.

Further, the finance cost in FY 2023-24 was ₹ 140.29 lakhs as compared to ₹ 144.06 lakhs in FY 2022-23. The company restricted their debt leveraging and raised funds via equity route (Maharashtra Defense and Aerospace Fund) which helped us in controlling our finance cost.

All these factors in totality have led to a considerable increase in the PAT for FY 2023-24 as compared to FY 2022-23.

Fiscal 2023 compared with Fiscal 2022

The total income of Rappid Valves (India) Limited in FY 2022-23 was ₹ 1,643.42 lakhs whereas the same was ₹ 1,215.24 lakhs in FY 2021-22. Total income in FY 2022-23 increased by 35.23% as compared to FY 2021-22. Total income comprises of Revenue from Operations and Other Income. Detailed justification for increase in Revenue from Operations and Other Income have been explain in the following paragraphs.

Revenue from Operation

Revenue from operations for FY 2022-23 amounted to ₹ 1,639.91 lakhs while revenue for FY 2021-22 was ₹ 1,214.11 lakhs. Revenue in FY 2022-23 was higher by 35.07 % from FY 2021-22. The revenue growth was mainly influenced by Praj Industries. Praj was the company's largest customer during FY 2021-22 and FY 2022-23. FY 2022-23 saw new orders from Praj which led to revenue growth. The revenue growth was mainly due to the company's largest customer which contributed 56.1% in FY 2021-22 and 79.3% in FY 2022-23 of the Revenue from Operations respectively. Timely delivery and good quality of products enabled the company to secure new orders from customers as well as increased sales to additional customers which led to revenue growth.

Other Income

Other Income in FY 2022-23 amounted to ₹ 3.51 lakhs the same was ₹ 1.13 lakhs in FY 2021-22. Increase in other income was due to increase in interest income during FY 2022-23.

Cost of Material Consumed

Cost of Material Consumed had increased by 48.59 % from ₹ 924.68 lakhs in FY 2021-22 to ₹ 1,373.94 lakhs in FY 2022-23. This increase was due to increase in purchases during the year.

Change in inventory of Stock in trade

Change in inventory of Stock in trade had increased by 598.89% from ₹ (27.00) lakhs in FY 2021-22 to ₹ (188.70) lakhs in FY 2022-23. This increase was primarily due to higher closing inventories during the year. Increase in sales and new orders were the main driving force where the company had to keep inventory in hand to meet the additional demand from customers as well execute new orders.

Employee Benefit Expenses

Employee benefit expenses has increased by 31.10% from ₹ 48.10 lakhs in FY 2021-22 to ₹ 63.06 lakhs in FY 2022-23. This increase was due to increase in salaries and wages, director's remuneration during FY 2022-23.

Finance Cost

Finance Cost has decreased by 1.44% from ₹ 146.16 lakhs in FY 2021-22 to ₹ 144.06 lakhs in FY 2022-23. This decrease was primarily due to decrease in Interest on borrowings during the year.

Depreciation and Amortization Expenses

Depreciation has increased by 47.14% from ₹ 20.49 lakhs in FY 2021-22 to ₹ 30.15 lakhs in FY 2022-23. The company charges depreciation on WDV basis. During FY 2022-23, the company made additions in their fixed assets which lead to increase in depreciation during the year.

Other Expenses

Other expenses have increased by 114.21 % from ₹ 73.82 lakhs in FY 2021-22 to ₹158.13 lakhs in FY 2022-23.

Tax Expenses

The Company's total tax expenses have increased from ₹ 0.01 lakhs in FY 2021-22 to ₹ 17.22 lakhs in FY 2022-23. Increase in profits have attracted more tax liability during FY 2022-23.

Profit After Tax

The profit after tax in FY 2022-23 was ₹ 45.56 lakhs while the same was ₹ 28.98 lakhs in FY 2021-22. Total expenses as a percentage to total income was 96.18% in FY 2022-23 as compared to 97.61% in FY 2021-22. Increase in top line growth also contributed to increase in the margin of the company.

Rationale for increase in PAT and PAT Margin in FY 2023:

The profit after tax in FY 2022-23 was ₹ 45.56 lakhs representing 2.77% of Total Revenue while the same was ₹ 28.98 lakhs in FY 2021-22 representing 2.38% of Total Revenue. Total expenses as a percentage to total income reduced to 96.18% in FY 2022-23 as compared to 97.61% in FY 2021-22. The fixed cost did not increase in the same proportion to revenue which lead to marginal increase in net profit in FY 2022-23.

Cash Flows

(₹ in Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Net Cash from Operating Activities | (107.33) | (42.79) | 113.76 |
| Net Cash from Investing Activities | (264.76) | (91.07) | (3.66) |
| Net Cash from Financing Activities | 465.37 | 166.00 | (128.34) |

Cash Flows from Operating Activities

Net cash from operating activities for FY 2023-24 was at (₹ 107.33) lakhs as compared to the Profit Before Tax at ₹ 553.01 lakhs while for FY 2022-23 net cash from operating activities was at (₹ 42.79) lakhs as compared to the Profit Before Tax at ₹ 62.78 Lakhs. This was primarily due to adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for FY 2022-23 was at (₹42.79) lakhs as compared to the Profit Before Tax at ₹ 62.78 lakhs while for FY 2021-22 net cash from operating activities was at 113.76 lakhs as compared to the Profit Before Tax at ₹ 28.99 Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital & Income Tax Paid.

Cash Flows from Investment Activities

In FY 2023-24, the net cash invested in Investing Activities was ₹ (264.76) lakhs. This was mainly on account of Purchases of Fixed Assets.

In FY 2022-23, the net cash invested in Investing Activities was ₹ (91.07) lakhs. This was mainly on account of Purchases of Fixed Assets.

In FY 2021-22, the net cash invested in Investing Activities was ₹ (3.66) lakhs. This was mainly on account of Purchases of Fixed Assets.

Cash Flows from Financing Activities.

In FY 2023-24, the net cash from financing activities was ₹ 465.37 lakhs. This was on account of proceeds from issue of share capital.

In FY 2022-23, the net cash from financing activities was ₹ 166.00 lakhs. This was on account of proceeds from issue of share capital.

In FY 2021-22, the net cash from financing activities was ₹ (128.34) lakhs. The company did not have any new borrowings during the year and only paid interest on the existing borrowings leading to negative cash flow from financing activities.

Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Except for any change in economic policy affecting our industry in India, there are no other significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “Risk Factors” beginning on page 29 in the Red Herring Prospectus (RHP), in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Our Company’s future costs and revenues will be determined by growth of industry in which we operate.

5. Increases in net sales or revenue and Introduction of new products or increased sales prices

Increases in revenues are by and large linked to increases in volume of our business.

6. Status of any publicly announced New Products or Business Segment

Our Company has not announced any new Product.

7. Seasonality of business

Our Company’s business is not seasonal.

8. Dependence on few customers/ clients

The percentage of contribution of our Company’s Top Customers/Clients is as follows:

(Figures in %)

| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|----------------|
| Top Ten Customers (% of revenue from operations) | 87.76% | 90.90% | 99.80% |

9. Competitive conditions

Competitive conditions are as described under the Chapters titled “Industry Overview” and “Our Business” beginning on pages 121 and 143, respectively of the Red Herring Prospectus (RHP).

10. Details of material developments after the date of last balance sheet i.e. March 31, 2024

After the date of last Balance sheet i.e. March 31, 2024, the following material events have occurred after the last audited period.

- a. The Company was converted from Private Limited Company to Public Limited Company vide certificate of incorporation dated June 20, 2024.
- b. The Board of our Company has approved to raise funds through Initial Public Offering in the board meeting held on June 26, 2024.
- c. The members of our Company approved proposal of Board of Directors to raise funds through initial public offering in the EOGM held on June 27, 2024.
- d. The Company has allotted 3,02,184 equity shares through the board resolution July 10, 2024, via conversion of optionally convertible preference shares through preferential allotment into equity shares.
- e. Company has re-classified its authorized capital from ₹883.00 Lakhs comprising of:
 - 4,98,000 Optionally Convertible Preference Shares of face value of ₹ 100/- each; and
 - 38,50,000 Equity Shares of face value of ₹ 10/- each

to ₹883.00 Lakhs divided into 88,30,000 Equity Shares of ₹10/- each vide Resolution passed by its shareholders in Extra Ordinary General Meeting held on July 10, 2024.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Red Herring Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Red Herring Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Red Herring Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this RED HERRING PROSPECTUS; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Red Herring Prospectus:

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 5% of the revenue of the Company for the most recent audited fiscal period; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at <https://www.rappidvalves.in/>*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES:

PART 1: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax:

Maharashtra:-

| Sr. No | Entity and GSTIN | Notice /Demand Order Id & Period | Notice /Order Description | Amount in Dispute (Rs.) |
|--------|--|---|--|--------------------------------|
| 1 | RAPPID VALVES (INDIA) PRIVATE LIMITED 27AACCR6999J1Z K | SCN Form GST DRC-01 ZN2705230054120 Dated:- March 28,2022 Period: July 2017 – March 2019 | Show Cause –Cum – Demand Notice u/s 74 due to difference in GSTR -2A and 3B | Total Amount: Rs.3,42,648/- |

Direct Tax:

1) A.Y. 2020-21

As per details available on the website of the Income Tax Department M/s RAPPID VALVES (INDIA) PRIVATE LIMITED (hereinafter referred to as the “Assessee”) has been issued with a demand notice bearing Demand Reference No: 2021202037029544374C dated December 18, 2021 passed u/s. 143(1) (a) of the Income Tax Act, 1961, raising a demand of Rs. 2,05,350/- for the A.Y. 2020-21 and the same has been disputed by the assessee.

However as per details available on the website, an amount of Rs. 62,800/- in addition to an interest of Rs. 31,825/- is pending to be paid by the assessee.

2) Pending Liability in TDS:

As per details available on the TRACES an aggregate outstanding amount of Rs. 5,88,268/- is determined to be paid from Previous years till 2023-24 against M/s. RAPPID VALVES (INDIA) PRIVATE LIMITED (hereinafter referred to as the “Assessee”) as default on account of short payment, short deduction of TDS and interest and penalty thereon u/s 201 and late filing fees u/s 234E of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. CASES FILED BY OUR COMPANY

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax: NIL

Direct Tax: NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY

A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax: NIL

Direct Tax:

Mr. Gaurav Vijay Dalal (Promoter cum Managing Director):-

1) A.Y. 2017-18

As per details available on the website of the Income Tax Department Mr. Gaurav Vijay Dalal (hereinafter referred to as the "Assessee") have been issued with a demand notice bearing Demand Reference No: 2018201737028577120T dated August 12, 2018 passed u/s. 143(1) (a) of the Income Tax Act, 1961, raising a demand of Rs. 4,93,730 /- for the A.Y. 2018-19 and the same has been disputed by the assessee.

However as per details available on the website, an amount of Rs. 4,87,830/- in addition to an interest of Rs. 2,48,778/- is pending to be paid by the assessee.

2) A.Y. 2018-19

As per details available on the website of the Income Tax Department Mr. Gaurav Vijay Dalal (hereinafter referred to as the "Assessee") have been issued with a demand notice bearing Demand Reference No: 2019201837023695024T dated May 07, 2019 passed u/s. 143(1) (a) of the Income Tax Act, 1961, raising a demand of Rs. 2,40,890 /- for the A.Y. 2018-19 and the same has been disputed by the assessee.

However as per details available on the website, an amount of Rs. 2,40,890/- in addition to an interest of Rs. 1,01,136/- is pending to be paid by the assessee.

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax: NIL

Direct Tax: NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES AND/OR GROUP COMPANIES

As on date of this Draft Red Herring Prospectus, our Company do not have any subsidiary. As regards, Group Company, Vinpra Engineering India Private Limited has been identified as a group Company based on past transactions. However, since our directors have disassociated with the Company since September 2022 and hence any litigation against the Company shall not have any impact on the Company. Also, litigation in respect of the Group Company could not be identified as data in respect of the Company is no more accessible to the management.

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoter, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this RED HERRING PROSPECTUS in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the RED HERRING PROSPECTUS

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the RED HERRING PROSPECTUS, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON-PAYMENT OF STATUTORY DUES

As on the date of the RED HERRING PROSPECTUS there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the five years preceding the year of this RED HERRING PROSPECTUS.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWER

Our Company or any of our Promoter or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled "Management's Discussion And Analysis of Financial Conditions & Results of Operations" beginning on page 209 there have been no material developments that have occurred after the Last Balance Sheet Date.

OUTSTANDING DUES TO CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on March 31, 2024: -

| Name | Balance as on March 31, 2024 (in Lacs) |
|---|---|
| Total Outstanding dues to Micro and Small & Medium Enterprises | 149.84 |
| Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises | 220.87 |

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

APPROVALS IN RELATION TO OUR COMPANY'S INCORPORATION

1. Certificate of Incorporation dated May 24, 2002 from the Registrar of Companies, Maharashtra, RoC-Mumbai , under the Companies Act, 1956 as "RAPID VALVES (INDIA) PRIVATE LIMITED" (Company registration no. U74999MH2002PTC135992).
2. Fresh Certificate of Incorporation dated February 10, 2009 from the Registrar of Companies, Maharashtra, Mumbai, consequent upon Change of Name from "RAPID VALVES (INDIA) PRIVATE LIMITED" to "RAPPID VALVES (INDIA) PRIVATE LIMITED" (Corporate Identification No. - U74999MH2002PTC135992).
3. Fresh Certificate of Incorporation dated June 20, 2024 from the Registrar of Companies, Central Processing Centre, consequent to conversion of the Company "RAPPID VALVES (INDIA) PRIVATE LIMITED" to "RAPPID VALVES (INDIA) LIMITED" (Corporate Identification No. - U74999MH2002PLC135992).

APPROVALS IN RELATION TO THE ISSUE

Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on June 26, 2024, authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated June 27, 2024, under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated June 26, 2024 and July 12, 2024 authorized our Company to take necessary action for filing the Red Herring Prospectus and Prospectus respectively with NSE EMERGE

Approvals from Stock Exchange

1. Our Company has received in- principle listing approval from the NSE EMERGE dated September 12,2024 Ref No. NSE/LIST/4132 for listing of Equity Shares issued pursuant to the issue.

Other Approvals

1. The Company has entered into a tripartite agreement dated August 04, 2022 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.
2. The Company has entered into an agreement dated May 03, 2024 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.

APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:**Tax Related Approvals**

| S. No | Description | Address of Place of Business / Premises | Registration Number | Issuing Authority | Date of issue | Date of Expiry |
|-------|--|--|---------------------|--------------------------------------|---|----------------------|
| 1. | Permanent Account Number (PAN) | M/s Rappid Valves (India) Limited | AACCR6999J | Income Tax Department | -- | Valid till Cancelled |
| 2. | Tax Deduction and Collection Account Number (TAN) | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India, 401404 | MUMR19156E | Income Tax Department | -- | Valid till Cancelled |
| 3. | Professions Tax Payer Enrollment certificate (P.T.E.C.), Maharashtra | M/S Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India, 401404 | 99752501384P | The Maharashtra Sales Tax Department | June 04, 2017 | Valid till Cancelled |
| 4. | Professions Tax Payer Registration certificate (P.T.R.C.), Maharashtra | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India, 401404 | 27180595720P | The Maharashtra Sales Tax Department | December 30, 2021 | Valid till Cancelled |
| 5. | GST Registration Certificate (Maharashtra) | M/s Rappid Valves (India) Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India, 401404 | 27AACCR6999J1ZK | Goods And Services Tax Department | Effective form July 01, 2017 Date of issue November 02, 2017 Date of issue: August 06, 2024 | Valid till Cancelled |

Registrations related to Labour Laws:

| S.No. | Description | Address | License Number | Issuing Authority | Date of issue | Date of Expiry |
|-------|---|--|-----------------------|---|------------------|----------------------|
| 1. | Factory License | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India, 401404 | 129002813 200200 | Directorate of Industrial Safety and Health (Labour Department) | January 06, 2024 | December 31, 2026 |
| 2. | Registration under the Employees Provident fund (EPF) | M/s Rapid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India, 401404 | MH/21122 1 | The Regional Provident Fund Commissioner | August 08, 2008 | Valid till Cancelled |
| 3. | Registration under Employees State Insurance Act | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India, 401404 | 350004064 30000699 | Sub- Regional Office, Employees State Insurance Corporation | June 28, 2017 | Valid till Cancelled |

Business Related Approvals:

| S.No. | Description | Address of Premises | Registration Number | Issuing Authority | Date of issue | Date of Expiry |
|-------|--------------------------|--|---------------------|--|---------------|----------------------|
| 1. | Import Export Code (IEC) | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India, 401404 | 0308030524 | Ministry of Commerce and Industry Directorate General of Foreign Trade, Mumbai | July 28, 2008 | Valid till Cancelled |

| | | | | | | |
|----|--------------------------------|---|--------------------------|---|--------------------|----------------------|
| 2. | Udyam Registration Certificate | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India,401404 | UDYAM-MH-17-0014394 | Ministry of Micro Small & Medium Enterprises | January 20, 2021 | Valid till Cancelled |
| 3. | ISO 9001:2015 | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India,401404 | Certificate No.24DQNM19 | ROHS Certification Private Limited, New Delhi | June 21, 2024 | June 20, 2027 |
| 4. | ISO 45001:2018 | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar | Certificate No. 23DOLH62 | ROHS Certification Private Limited, New Delhi | September 14, 2023 | September 13, 2026 |

| | | | | | | |
|----|-----------------|---|--------------------------|--|--------------------|--------------------|
| | | East, Dist Palghar, Maharashtra, India,401404 | | | | |
| 5. | ISO 14001:2015 | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India,401404 | Certificate No. 23DELV73 | ROHS Certification Private Limited, New Delhi | September 14, 2023 | September 13, 2026 |
| 6. | LEI | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India,401404 | 335800IVFQNSTJOBSD76 | Legal Entity Identifier India Limited | February 23, 2024 | February 23, 2025 |
| 7. | IBR Certificate | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis | No.SB -5/SRW/2024/576 | Govt of Maharashtra Labour Department Directorate of Steam Boilers | January 10, 2024 | December 31, 2024 |

| | | | | | | |
|----|--|---|--|---|------------------|--------------------|
| | | Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India,401404 | | | | |
| 8. | Govt. Purchase Enlistment Certificate | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India,401404 | NSIC/GP/AND/2020/0041837 | The National Small Industries Corporation Limited | July 24, 2023 | September 20, 2024 |
| 9 | MPCB NOC (Water Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under Rule 6 and Rule 18(7) of the Hazardous & Other Wastes (Management & Transbounda | M/s Rappid Valves (India) Private Limited Plot No. 30, 31, Genesis Industrial Township Phase 1, Vill Kolgaon, Palghar East, Dist Palghar, Maharashtra, India,401404 | GREEN/S.S.I () No:-Format1.0/SRO/UAN No.0000183022/CR/2310000657 | Maharashtra Pollution Control Board | October 10, 2023 | July 31, 2038 |

| | | | | | | |
|--|--------------------------------|--|--|--|--|--|
| | ry Movement) Rules 2016) | | | | | |
|--|--------------------------------|--|--|--|--|--|

American Quality Standards Acquired by the Company:

| S. No. | Description | Order Number | Governing Body | Date of Acquisition |
|--------|--|--------------|--|---------------------|
| 1. | A351/A351M-16 (Standard specification for Castings, Austenitic, for Pressure-Coating Parts) | 02164007 | The American Society of Mechanical Engineering | August 11, 2017 |
| 2. | ASME B16.34-2017 (Valves – Flanged, Threaded, and Welding End) | 02164007 | The American Society of Mechanical Engineering | August 24, 2017 |
| 3. | A193/A193M-16 (standard Specification for Alloy Steel and Stainless steel Bolting for High Temperature or High Pressure Service and Other Special Purpose Application) | 02164007 | The American Society of Mechanical Engineering | August 11, 2017 |
| 4. | A194/A194-17 (standard Specification for carbon Steel, Alloy Steel and Stainless steel Nuts for Bolts for High Temperature or High Pressure Service or Both) | 02164007 | The American Society of Mechanical Engineering | August 11, 2017 |
| 5. | A216/A216M-16 (standard Specification for Steel Castings, Carbon, Suitable for Fusion Welding, for High-Temperature Service) | 02164007 | The American Society of Mechanical Engineering | August 11, 2017 |
| 6. | A182/A182M-16a (standard Specification for Forged or Rolled Alloy and stainless steel pipes flanges, Forged Fittings and valves and parts for High Temperature Service) | 02164007 | The American Society of Mechanical Engineering | August 11, 2017 |
| 7. | A105/A105M-14 Standard Specification for Carbon Steel Forgings for Piping Applications | 02164007 | The American Society of Mechanical Engineering | August 11, 2017 |
| 8. | API Specification 6D (SPEC6D) Specification for Pipeline Valves (Gate, Plug, Ball and Check Valves) | 02164007 | American Petroleum Institute | August 11, 2017 |
| 9. | API Standard 608 (Metal Ball Valves- Flanged, Threaded, and Welding Ends) | 02164007 | American Petroleum Institute | August 11, 2017 |
| 10. | API Standard 607 Fire Test for Quarter –turn Valves and Valves Equipped with Nonmetallic Seats | 02164007 | American Petroleum Institute | August 11, 2017 |

Intellectual Property

Trademarks registered/Objected/Abandoned in the name of our company

| S. No | Brand Name/Logo Trademark | Class | Nature of Trademark and registration number | Owner | Date of Registration | Authority | Current Status |
|-------|---|-------|---|---------------------------------------|----------------------|------------------------------|----------------|
| 1. |  | 6 | 5191051 | RAPPID VALVES (INDIA) PRIVATE LIMITED | February 26, 2024 | Trade Marks Registry, Mumbai | Registered |

Domain Name

| S. No | Domain Name and ID | Sponsoring Registrar and ID | Registrant Name, ID and Address | Creation Date | Registry Expiry Date |
|-------|--------------------|--|-------------------------------------|----------------|----------------------|
| 1. | rappidvalves.in | Endurance Digital Domain Technology LLP IANA ID: 801217 | Rappid Valves India Private Limited | March 25, 2021 | March 25, 2025 |

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of name of the Company pursuant to change of its constitution from Private Limited to Public Limited.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

Our Board of Directors have vide resolution dated June 26, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra Ordinary General Meeting held on June 27, 2024 at shorter notice in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Company has obtained approval from NSE vide letter dated September 12, 2024 to use the name of NSE in this Offer Document for listing of equity shares on the NSE Emerge. NSE is the designated stock exchange.

IN-PRINCIPLE LISTING APPROVALS

The Company has obtained approval from NSE vide letter dated September 12, 2024 to use the name of NSE in this Offer Document for listing of equity shares on the NSE Emerge. NSE is the designated stock exchange.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our company, promoter, members of the promoter group, directors, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Red Herring Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

None of the companies with which our Promoter and Directors are associated with as promoter, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Red Herring Prospectus.

Our Company, Promoter or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters offered by the RBI.

Our Promoter or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

PROHIBITION BY RBI

Neither our Company nor any of our Promoter or Directors has been declared as willful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Red Herring Prospectus.

COMPLIANCE WITH COMPANIES ACT, 2013

Our Company, Promoter and members of the Promoter Group confirm that they are in compliance with the Companies Act, 2013, to the extent applicable, as on the date of this Red Herring Prospectus.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Promoter and members of the Promoter Group confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Red Herring Prospectus.

ELIGIBILITY FOR THE ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post Issue face value capital does not exceed ₹ 10 crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the NSE Emerge).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE Emerge.

a) Our Company was incorporated on May 24, 2002 under the provisions of Companies Act, 1956 with the Registrar of Companies, Mumbai. Hence, our Company is in existence for a period of 22 years on the date of filing this Red Herring Prospectus with NSE.

b) As on the date of this Red Herring Prospectus, our Company has a total paid-up capital (face value) of ₹ 382.22 Lakhs comprising 38,22,184 Equity Shares of ₹10/- each and the Post Issue paid-up Capital (face value) will be ₹ 519.20 Lakhs comprising 51,91,984 Equity Shares which shall be below ₹ 25 crores.

c) Our Company confirms that it has track record of more than 3 years.

d) As per the Restated Financial Statements, our company has operating profit (earnings before interest, depreciation and tax) from operations is ₹ 735.83 Lakhs in Fiscal 2024, ₹ 233.48 Lakhs in Fiscal 2023 Lakhs and ₹ 194.51 Lakhs in Fiscal 2022 i.e., in all the 3 financial years preceding the date of this Red Herring Prospectus and its net-worth is positive.

e) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our company and promoting companies.

f) There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.

g) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.

h) Other Disclosures:

- We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) of our company in this Red Herring Prospectus.

- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) during the past three years except as mentioned in this Red Herring Prospectus.

- We have disclosed the details of our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “*Outstanding Litigations and Material Developments*” on page 218 of this Red Herring Prospectus.

- We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of offer have or has been charge-sheeted

with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigations and Material Developments*” on page 218 of this Red Herring Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a) The Draft Red Herring Prospectus, Red Herring Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the Emerge platform of NSE. NSE is the Designated Stock Exchange.
- b) Our Company has entered into an agreement dated May 03, 2024 with NSDL and agreement dated August 04, 2022 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- c) The entire pre-issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.
- d) The entire Equity Shares held by the Promoters are in dematerialization form.
- e) The fund requirements set out for the Objects of the Issue are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under the SEBI ICDR Regulations. For details, please refer the chapter “*Objects of the Issue*” on page 95 of this Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

1. Neither our Company nor our Promoters, members of our Promoter group or our directors is debarred from accessing the capital markets by the SEBI.
2. None of our Promoter or Directors is Promoter or director of any other companies which are debarred from accessing the capital markets by the SEBI.
3. Neither our Company nor our Promoter or Directors is a wilful defaulter or a fraudulent borrower.
4. None of our Promoter or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We further confirm that:

1. In accordance with Regulation 246 the SEBI ICDR Regulations, the book running lead manager shall ensure that the offeror shall file copy of the Red Herring Prospectus with SEBI along with relevant documents as required at the time of filing the Red Herring Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI ICDR Regulations, this issue has been one hundred percent (100%) underwritten and that the Book Running Lead Manager to the issue has underwritten at least 15% of the Total Issue Size. For further details, pertaining to said underwriting please see “*General Information*” beginning on page 64 of this Red Herring Prospectus.
3. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four (4) days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of fourth day, be liable to unblock such application money with interest as prescribed under the SEBI ICDR Regulations, the Companies Act 2013 and applicable laws.

COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SHRENI SHARES LIMITED (FORMERLY KNOWN AS SHRENI SHARES PRIVATE LIMITED) HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.

Note: All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 33(1) and 33(2) of the Companies Act.

DISCLAIMER IN RESPECT OF JURISDICTION

This issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

DISCLAIMER FROM OUR COMPANY, THE DIRECTORS AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our Company’s website, <https://www.rapidvalves.in/>, or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres elsewhere.

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Shreni Shares Limited (*Formerly known as Shreni Shares Private Limited*) is not an associate of the Company and is eligible to be appointed as the Book Running Lead Manager in this Issue, under SEBI MB Regulations.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Neither our Company nor Book Running Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

DISCLAIMER CLAUSE OF THE NSE

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/4132 dated September 12, 2024, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, 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.”

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the EMERGE Platform of NSE. Application have been made to the EMERGE Platform of NSE for obtaining permission for listing of the Equity Shares being issued and sold in the Issue on its NSE Emerge Platform after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our company has obtained In-principle approval from NSE vide letter dated September 12, 2024 to use name of NSE in the Red Herring Prospectus for listing of equity shares on NSE EMERGE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE EMERGE the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE mentioned above are taken within three (3) Working Days of the Bid/Issue Closing Date or such period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Issue within 3 Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% p. a, for the delayed period.

CONSENTS

Consents in writing of: (a) Directors, Promoters, the Chief Financial Officer, Company Secretary & Compliance Officer, the Statutory and Peer Review Auditors, (b) the Book Running Lead Manager, Registrar to the Issue, the Legal Advisors to the Issue, Bankers to the Issue, Bankers to the company, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, Peer Reviewed Auditors , M/s. Vinay Bhushan & Associates, Chartered Accountants, have provided their written consent to the inclusion of Restated Financial Statements dated July 11, 2024 and to the inclusion of their reports dated July 11, 2024 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Red Herring Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Red Herring Prospectus.

EXPERT OPINION

Except the report of the Peer Reviewed Auditors on statement of tax benefits and report on Restated Financial Statements for the financial years ended March 31, 2024, 2023 and 2022 as included in this Red Herring Prospectus, our Company has not obtained any expert opinion.

Here, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

PREVIOUS PUBLIC OR RIGHTS OFFERS DURING THE LAST FIVE YEARS

We have not made any rights to the public and public offers in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

COMMISSION AND BROKERAGE PAID ON PREVIOUS OFFERS OF OUR EQUITY SHARES IN LAST FIVE YEARS

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

CAPITAL OFFERS DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY

Except as disclosed in Chapter titled “*Capital Structure*” on page 74 of Red Herring Prospectus, our Company has not made any capital issue during the previous three years.

PERFORMANCE VIS-À-VIS OBJECTS

Except as stated in the chapter titled “*Capital Structure*” beginning on page 74 of this Red Herring Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

For details in relation to our group companies, please see chapter titled “Our Group Company” on page 201 of Red Herring Prospectus.

PRICE INFORMATION OF THE PAST OFFERS HANDLED BY THE BOOK RUNNING LEAD MANAGER

Price information of past issues handled by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited)

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited):

| Sr. No. | Issuer name | Issue size (₹ Crores) | Issue price (Rs.) | Listing Date | Opening price on Listing Date (in Rs.) | +/- % change in closing price, [+/- % change in closing benchmark] - 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing |
|-----------------------------|-----------------------------------|-----------------------|-------------------|----------------|--|--|--|---|
| Mainboard IPO Issues | | | | | | | | |
| - | - | - | - | - | - | - | - | - |
| SME IPO Issues | | | | | | | | |
| 1. | Yash Optics & Lens Limited | 53.15 | 81.00 | April 08, 2024 | 90.00 | +10.99% [-1.61%] | +43.70% [+7.31%] | - |
| 2. | Refractory Shapes Limited | 18.60 | 31.00 | May 14, 2024 | 75.00 | +546.61% [+4.97%] | +532.26% [+9.68%] | - |
| 3. | Silkflex Polymers (India) Limited | 18.11 | 52.00 | May 15, 2024 | 60.00 | +0.96% [+5.40%] | +66.63% [+9.67%] | - |
| 4. | Quest Laboratories Limited | 43.16 | 97.00 | May 23, 2024 | 155.10 | +63.56% [+2.32%] | +39.18% [+7.54%] | - |
| 5. | GSM Foils Limited | 11.01 | 32.00 | May 31, 2024 | 32.00 | +57.34% [+6.57%] | +140.94% [+11.19%] | - |
| 6. | Visaman Global Sales Limited | 16.05 | 43.00 | July 01, 2024 | 45.10 | +0.00% [+2.96%] | - | - |
| 7. | Effwa Infra & Research Limited | 51.27 | 82.00 | July 12, 2024 | 155.80 | +312.01% [-0.55%] | - | - |
| 8. | Prizor Viztech Limited | 25.15 | 87.00 | July 22, 2024 | 165.30 | +82.53% [+0.77%] | - | - |

| | | | | | | | | |
|-----|-----------------------------|-------|--------|-----------------|--------|---------------------|---|---|
| 9. | Dhariwalcorp Limited | 25.15 | 106.00 | August 08, 2024 | 150.00 | +36.79% [+3.05%] | - | - |
| 10. | Picturepost Studios Limited | 18.72 | 24.00 | August 09, 2024 | 30.00 | +55.00% [+1.99%] | - | - |

Source: www.bseindia.com / www.nseindia.com

Notes:

1. The BSE SENSEX and CNX NIFTY are considered as the Benchmark Index.
2. Price on BSE/NSE are considered for all the above calculations.
3. In case 30th, 90th and 180th day is not a trading day, closing price of the previous trading day has been considered.
4. In case 30th, 90th and 180th day, scripts are not traded then the last trading price has been considered.
5. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.

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, disclosure pertaining to recent 10 issues handled by the lead manager are provided.

Summary statement of price information of past issues handled by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited):

| Financial Year | Total no. of IPOs | Total funds raised (₹ Crores) | Nos. of IPOs trading at discount on as on 30 th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30 th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180 th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180 th calendar days 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% |
| 2024-2025 [§] | 10 & | 280.37 | - | - | - | 6 | 1 | 3 | - | - | - | - | - | - |
| 2023-2024 | 13 ** * | 260.67 | - | - | - | 6 | 6 | 1 | - | - | 2 | 6 | 3 | 2 |
| 2022-2023 | 10 ** | 156.29 | - | - | - | 5 | 2 | 3 | - | - | 1 | 5 | - | 4 |

**The script of Fidel Softech Limited, SKP Bearing Industries Limited, Olatech Solutions Limited, Ameya Precision Engineers Limited, DAPS Advertising Limited, Amiable Logistics (India) Limited, PNGS Gargi Fashion Jewellery Limited, Arihant Academy Limited, Srivasavi Adhesive Tapes Limited and Bright Outdoor Media Limited were listed on June 10, 2022, July 13, 2022, August 29, 2022, September 08, 2022, November 14, 2022, November 16, 2022, December 20, 2022, December 29, 2022, March 09, 2023 and March 24, 2023 respectively.

***The script of Sancode Technologies Limited, Veeffin Solutions Limited, Global Pet Industries Limited, AccelerateBS India Limited, C P S Shapers Limited, Meson Valves India Limited, Marco Cables & Conductors Limited, KK Shah Hospitals Limited, Swasthik Plascon Limited, Net Avenue Technologies Limited, AIK Pipes and Polymers Limited, Delaplex Limited and Gabriel Pet Straps Limited were listed on April 18, 2023, July 05, 2023, July 10, 2023, July 19, 2023, September 07, 2023, September 21, 2023, September 28, 2023, November 06, 2023, December 05, 2023, December 08, 2023, January 02, 2024, February 02, 2024 and February 07, 2024 respectively.

[§]The script of Yash Optics & Lens Limited, Refractory Shapes Limited, Silkflex Polymers (India) Limited, Quest Laboratories Limited, GSM Foils Limited, Visaman Global Sales Limited, Effwa Infra & Research Limited, Prizor Viztech Limited, Dhariwalcorp Limited and Picturepost Studios Limited have not completed 180 days from the date of listing.

[&] The script of Yash Optics & Lens Limited, Refractory Shapes Limited, Silkflex Polymers (India) Limited, Quest Laboratories Limited, GSM Foils Limited, Visaman Global Sales Limited, Effwa Infra & Research Limited, Prizor Viztech Limited, Dhariwalcorp Limited and Picturepost Studios Limited were listed on April 08, 2024, May 14, 2024, May 15, 2024, May 23, 2024, May 31, 2024, July 01, 2024, July 12, 2024, July 22, 2024, August 08, 2024 and August 09, 2024 respectively.

Note: Rights Issues lead managed by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited) have not been included in the abovementioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

TRACK RECORD OF PAST OFFERS HANDLED BY BOOK RUNNING LEAD MANAGER

For details regarding track record of the Book Running Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Book Running Lead Manager at: www.shreni.in.

STOCK MARKET DATA OF EQUITY SHARES

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of three years from the date of listing and commencement of trading of the Equity Shares to enable the Bidders to approach the Registrar to the Issue for redressal of their grievances. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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

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

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding Two Working Days from the Bid / Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding Two Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and SEBI Master Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (to the extent applicable).

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for

cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for nonallotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public offers opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

| Scenario | Compensation amount | Compensation period |
|--|--|---|
| Delayed unblock for cancelled / withdrawn / deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchange till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | Instantly revoke the blocked funds other than the original application amount and ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Bid Amount | Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and ₹100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock |
| Delayed unblock for non – Allotted / partially Allotted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock |

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Manager shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

For helpline details of the Book Running Lead Manager pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see “*General Information – Book Running Lead Manager*” on page 64 of this Red Herring Prospectus.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations.

The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Applicants. Applicants can contact our Company Secretary and Compliance officer or the Registrar to the Issue in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Issue to the Book Running Lead Manager.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company has also appointed Ms. Nidhi Krutik Shah, Company Secretary and Compliance officer for the Issue. For details, see “*General Information*” beginning on page 64 of this red Herring Prospectus.

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 (seven) days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Our Company shall, after filing of this Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Further, our Board by a resolution on June 27, 2024, has also constituted a Stakeholders’ Relationship Committee. The composition of the Stakeholders’ Relationship Committee is as follows:

| Name of the Directors | Nature of Directorship | Designation in Committee |
|--------------------------|------------------------------------|--------------------------|
| Mr. Dayaram Paliwal | Non-Executive Independent Director | Chairman |
| Mr. Dinesh Gopal Mundada | Non-Executive Independent Director | Member |
| Mr. Gaurav Vijay Dalal | Chairman and Managing Director | Member |

For further details, please see the chapter titled “*Our Management*” beginning on page 183 of this Red Herring Prospectus.

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

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

Other confirmations

No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue.

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

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

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid-cum-Application forms. Investor may visit the official website of the concerned for any information on operational utilization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

AUTHORITY FOR THE ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on June 26, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra ordinary General Meeting of the Company held on June 27, 2024 conducted at shorter notice.

RANKING OF EQUITY SHARES

The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares being offered and allotted shall be subject to the provisions of the Companies Act 2013, our Memorandum of Associations and Articles of Association shall rank pari passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “Main Provisions of the Articles of Association” beginning on page 281 of this Red Herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Bidders who have been allotted or transferred Equity Shares pursuant to the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page 203 and 281, respectively of this Red Herring Prospectus.

FACE VALUE, ISSUE PRICE, FLOOR PRICE AND PRICE BAND

The face value of each Equity Share is ₹ 10 and the Issue Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and at the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Issue Price, Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM, and advertised in all editions of Financial Express, an English national daily newspaper and all editions of Janasatta, a Hindi national daily newspaper and all editions of Pratahakal, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager, after the Bid/ Issue Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares, unless otherwise permitted by law.

COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to receive Annual Reports and notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
7. Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of the Articles of Association*” beginning on page 281 of this Red Herring Prospectus.

ALLOTMENT ONLY IN DEMATERIALISED FORM

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite agreement dated August 04, 2022 amongst our Company, CDSL and Link Intime India Private Limited.
2. Tripartite agreement dated May 03, 2024 between our Company, NSDL and Link Intime India Private Limited. For details in relation to the Basis of Allotment, see “*Issue Procedure*” on page 256 of this Red Herring Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the 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 [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.

JOINT HOLDERS

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

JURISDICTION

The courts of Thane, Maharashtra, India will have exclusive jurisdiction in relation to this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

NOMINATION FACILITY TO BIDDERS

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by our Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchange.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit reports of compliance with the applicable listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an Issue, our Company shall file a fresh Prospectus.

BID/ISSUE PROGRAM

An indicative timetable in respect of the Issue is set out below:

| Event | Indicative Date |
|---|---|
| Bid/Issue Opens on | Monday, September 23, 2024(1) |
| Bid/Issue Closes on | Wednesday, September 25, 2024(2)(3) |
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or before Thursday, September 26, 2024 |
| Initiation of Refunds / unblocking of funds from ASBA Account* | On or before Friday, September 27, 2024 |
| Credit of Equity Shares to demat account of the Allottees | On or before Friday, September 27, 2024 |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or before Monday, September 30, 2024 |

1. Our Company in consultation with the BRLM, may consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations
2. Our Company in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations
3. UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Issue Closing Date, i.e. Tuesday, September 24, 2024.

**In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation / withdrawal / deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted / partially allotted Application, exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.*

The above timetable other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the BRLM.

Any circulars or notifications from the SEBI after the date of this Red Herring Prospectus may result in changes to the timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within such time as prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, our Company shall within three days from the closure of the Issue, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The Shareholder, severally and not jointly, has specifically confirmed that it shall extend such reasonable support and co-operation required by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within such time as prescribed by SEBI.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such

time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors)

| Bid Period (except the Bid/Issue Closing Date) | |
|---|--|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”)) |
| Bid/Issue Closing Date | |
| Submission and Revision in Bids* | Only between 10.00 a.m. and 3.00 p.m. IST |

* UPI mandate end time and date shall be at 5.00 pm IST on Bid/Issue Closing Date.

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange in case of Bids by RIBs.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchange only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchange.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum-Application Forms due to faults in any software/hardware system or otherwise; or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

Our Company in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the Face Value of the Equity Shares.

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

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

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

of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond Two days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level. For details of underwriting arrangement, kindly refer the chapter titled “General Information - Underwriting” on page 64 of this Red Herring Prospectus.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000/- (Rupees One Lac only) per application.

The Equity Shares have not be and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE Emerge.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for the lock-in of the pre- Issue capital of our Company, lock-in of the Promoters’ minimum contribution and the Anchor Investor lock-in as provided in “Capital Structure” beginning on page 74 of this Red Herring Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “Main Provisions of the Articles of Association” beginning on page 281 of this Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

NEW FINANCIAL INSTRUMENTS

As on the date of this Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

ALLOTMENT OF SECURITIES IN DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

APPLICATION BY ELIGIBLE NRIs, FPIs OR VCFs REGISTERED WITH SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

MIGRATION TO MAIN BOARD

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. The migration policy of NSE was intimated vide circular Download Ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular Download Ref. No. NSE/SME/37551 dated April 18, 2018 and NSE/SME/47077 dated January 21, 2021. NSE has further reviewed and revised the migration policy effective from April 20, 2023 from NSE Emerge to NSE Main Board vide circular Download Ref. No.: NSE/SME/61057 dated March 07, 2024 to be effective from April 01, 2024 as follows:

1. The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalisation of the company's equity shall not be less than ₹25 crores**

*** Explanation for this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post Issue number of equity shares*

2. The company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
3. The company should have been listed on SME platform of the Exchange for at least 3 years.
4. The Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
5. The company has not received any winding up petition admitted by a NCLT.
6. The net worth of the company should be at least ₹50 crores.
7. Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.
8. The company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:

- a) The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.
- b) Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.
- c) Redressal mechanism of Investor grievance.
- d) PAN and DIN no. of Director(s) of the Company.
- e) Change in Control of a Company/Utilisation of funds raised from public.

MARKET MAKING

The shares Offered through this Issue are proposed to be listed on the NSE Emerge with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE Emerge. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page 64 of this Red Herring Prospectus.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is not more than ₹10 crores, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of NSE). For further details regarding the salient features and terms of such an issue, please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on Page No. 242 and 256 respectively of this Red Herring Prospectus.

ISSUE STRUCTURE

This Issue comprised of Initial Public Offering of up to 13,69,800 Equity Shares for Cash at an Issue Price of ₹ [●] per Equity Share. The Issue comprises a reservation of up to 69,600 Equity Shares of face value of ₹10/- each for subscription by the designated Market Maker (“**the Market Maker Reservation Portion**”) and Net Issue to Public of up to 13,00,200 Equity Shares of face value of ₹10/- each (“**the Net Issue**”). The Issue and the Net Issue will constitute 26.38 % and 25.04 %, respectively of the post Issue paid-up equity share capital of the Company. The Issue is being made through the Book Building Process.

The Issue is being made through the Book Building Process.

| Particulars | Market Maker Reservation Portion | QIBs (1) | Non - Institutional Investors/Bidders | Retail Individual Investors/Bidders |
|---|----------------------------------|---|--|---|
| Number of Equity Shares available for allocation or allotment (2) | Up to 69,600 Equity Shares | Not more than 6,49,200 Equity Shares | Not less than 1,95,600 Equity Shares | Not less than 4,55,400 Equity Shares |
| Percentage of Issue Size available for Allocation | 5.08% of the Issue Size | Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion | Not less than 15% of the Net Issue | Not less than 35% of the Net Issue |
| Basis of Allotment (3) | Firm allotment | Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to 12,000 Equity Shares shall be available for | Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares. For details, see “Issue | Proportionate basis subject to minimum allotment of [●] Equity Shares. For details, see “Issue Procedure” beginning on page |

| Particulars | Market Maker Reservation Portion | QIBs (1) | Non - Institutional Investors/Bidders | Retail Individual Investors/Bidders |
|-------------------|--|---|--|---|
| | | <p>allocation on a proportionate basis to Mutual Funds only; and</p> <p>(b) Up to 6,49,200 Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>(c) Up to 60% of QIB Portion (of up to 3,89,400 Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p> | Procedure” beginning on page 256 of this Red Herring Prospectus. | 256 of this Red Herring Prospectus. |
| Mode of Bid | Only through ASBA Process | ASBA only except for Anchor Investors (4) | Only through ASBA Process | Through ASBA Process, Through Banks or by using UPI ID for payment |
| Mode of allotment | Compulsorily in dematerialized form | | | |
| Minimum Bid Size | [●] Equity Shares | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 2.00 Lakhs | Such number of Equity shares in multiple of [●] Equity shares that Bid size exceeds ₹ 2.00 Lakhs | [●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2.00 Lakhs |
| Maximum Bid Size | [●] Equity Shares | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, (excluding the Anchor portion), subject to limits applicable to each Bidder | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹2.00 Lakhs |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | | | |

| Particulars | Market Maker Reservation Portion | QIBs (1) | Non - Institutional Investors/Bidders | Retail Individual Investors/Bidders |
|--------------------|--|---|---|---|
| Trading Lot | [●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof |
| Who can apply? (5) | Market Maker | Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹2500 lakhs, pension fund with minimum corpus of ₹2500 lakhs, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with | Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices, trusts, FPIs who are individuals, corporate bodies and family offices | Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount does not exceed ₹2.00 Lakhs in value |

| Particulars | Market Maker Reservation Portion | QIBs (1) | Non - Institutional Investors/Bidders | Retail Individual Investors/Bidders |
|------------------|--|---------------------------------------|---------------------------------------|-------------------------------------|
| | | applicable laws including FEMA Rules. | | |
| Terms of Payment | <p>In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.</p> <p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(6)</p> | | | |

- (1) *Our Company in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, (ii) minimum of two and maximum of fifteen Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 Lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of fifteen Anchor Investors for allocation up to ₹2,500.00 Lakhs, and an additional ten Anchor Investors for every additional ₹2,500.00 Lakhs or part thereof will be permitted, subject to minimum allotment of ₹100.00 Lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹200.00 Lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.*
- (2) *In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations, this is an Issue for at least 25% of the post Issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI ICDR Regulations.*
- (3) *Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*
- (4) *Anchor Investors are not permitted to use the ASBA process.*
- (5) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*
- (6) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*
- (7) *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the Bidders. Accordingly, Stock Exchanges shall, for all categories of Bidders viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

The Bids by FPIs with certain structures as described under “Issue Procedure” on page 256 of this Red Herring Prospectus and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Issue*" on page 242.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the process and timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The BRLMs shall be the nodal entity for any Issues arising out of the public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, including the reduction of time period for unblocking of application monies from 15 days to four days. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Red Herring Prospectus.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5.00 lakhs shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form

submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Issue Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days.

The BRLM shall be the nodal entity for any issues arising out of public issuance process.

Our Company and the BRLM, members of the syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus, when filed.

Further, our Company and the Members of the Syndicate are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in the Issue.

BOOK BUILDING PROCEDURE

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI ICDR Regulations, the Issue is being made for at least 25% of the post- Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229 (1) of Chapter IX of SEBI ICDR Regulations via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021, and CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in

physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws. Phased implementation of UPI.

PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six Working Days. For further details, refer to the General Information Document available on the website of the Stock Exchange and the Book Running Lead Manager.

Phase II: This phase has become applicable from July 1, 2019. and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing continues to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public Issue closure to listing has been reduced from six Working Days to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (the “UPI Streamlining Circular”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post- issue BRLM will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format

as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. The Issue will be made under UPI Phase III of the UPI Circular.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹2.00 lakhs and up to ₹5.00 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (“UPI Streamlining Circular”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Book Running Lead Manager.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the website of the NSE (www.nseindia.com), at least one day prior to the Bid/Issue Opening Date.

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager.

UPI Bidders Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after

the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

ASBA Bidders (not using the UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022. All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected. The UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Since the Issue is made under Phase III, ASBA Bidders may submit the ASBA Form in the manner below:

- (a) RIBs (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (b) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (c) QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.
- (d) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| Category | Colour of Bid cum Application form* |
|--|-------------------------------------|
| Resident Indians, including QIBs, Non-institutional Investors and Retail Individual Bidders, each resident in India and Eligible NRIs applying on a non-repatriation basis. | White |
| Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis | Blue |
| Anchor Investors** | White |

* Excluding electronic Bid cum Application Form.

** Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Manager.

Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com).

In case of ASBA forms, the relevant Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. The Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate the UPI Bidders in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the SEBI UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm IST on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Bid/Issue Period until the Cut-Off Time.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the Issue and Depository Participants shall continue till further notice;
- b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;
- c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5 pm on the initial public offer closure day;

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Issue Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in accordance with SEBI circular no: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”):

1. An SCSB, with whom the bank account to be blocked, is maintained
2. A syndicate member (or sub-syndicate member)
3. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4. A Depository Participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5. A Registrar to an Issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

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| For Applications submitted by Investors to SCSBs: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For applications submitted by investors to intermediaries other than SCSBs: | After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment: | After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Who Can Apply?

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: — Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.
24. Applications not to be made by:
 - a) Minors (except through their Guardians)
 - b) Partnership firms or their nominations
 - c) Foreign Nationals (except NRIs)
 - d) Overseas Corporate Bodies

ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.
- d) QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids.

PARTICIPATION BY PROMOTERS, PROMOTER GROUP, THE BOOK RUNNING LEAD MANAGER, THE SYNDICATE MEMBERS AND PERSONS RELATED TO PROMOTERS/PROMOTER GROUP/THE BOOK RUNNING LEAD MANAGER

The Book Running Lead Manager and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Issue under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
- (ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;
- (iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or

- (iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Manager” if:

- (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
- (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- (iii) there is a common director, excluding nominee director, amongst the Anchor Investors, the Book Running Lead Manager.

BIDS BY MUTUAL FUNDS

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

BIDS BY ELIGIBLE NON-RESIDENT INDIANS

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB to block their NRE accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB to block their NRO accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Issue through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian company in a general meeting.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 280 of this Red Herring Prospectus.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

BIDS BY HUFs

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids/Applications by HUFs may be considered at par with Bids from individuals.

BIDS BY FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post- Issue Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (“**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24%, 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Issue shall be subject to the FEMA Rules

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form *“exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.”*

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “FPI Group”) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Issue Equity Share capital shall be liable to be rejected.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2,500.00 lakhs and pension funds with a minimum corpus of ₹2,500.00 lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company in consultation with the Book Running Lead Manager in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

BIDS BY SEBI REGISTERED VCFs, AIFs AND FVCIs

The SEBI FVCI Regulations, inter alia, prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA Rules, VCFs and FVCIs can invest only up to 33.33% of their investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof.

BIDS BY BANKING COMPANIES

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "Banking Regulation Act"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

BIDS BY SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with

the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended (“IRDAI Investment Regulations”), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds/pension funds with minimum corpus of ₹2,500.00 lakhs, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid, without assigning any reason thereof.

BIDS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time

BIDS BY ANCHOR INVESTORS

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

- 1) Anchor Investor Application Forms will be made available for the Anchor Investors Portion at the offices of the Book Running Lead Manager.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 lakhs.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the Book Running Lead Manager, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than ₹2,500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation up to ₹2,500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2,500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.

- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the Book Running Lead Manager before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 10) Neither the (a) Book Running Lead Manager or any associate of the Book Running Lead Manager (other than mutual funds sponsored by entities which are associate of the Book Running Lead Manager or insurance companies promoted by entities which are associate of the Book Running Lead Manager or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Manager or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Manager) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid Period and withdraw or lower the size of their Bid(s) until Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid Period.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that your PAN is linked with Aadhaar and you are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021
3. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
4. Ensure that you have Bid within the Price Band;
5. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
6. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;
8. UPI Bidders Bidding in the Issue shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party
9. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
10. Ensure that you mandatorily have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
11. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
12. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment.
15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
20. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
21. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
22. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and PAN available in the Depository database;
23. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);
24. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
25. Ensure that the Demographic Details are updated, true and correct in all respects;
26. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Issue, which is UPI 2.0 certified by NPCI;
27. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Banks issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
28. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI pin. Upon the authorization of the mandate using his/her UPI pin, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks Issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
29. UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

30. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;
31. Bids by Eligible NRIs for a Bid Amount of less than ₹2.00 lakhs would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹2.00 lakhs would be considered under the Non-Institutional Category for allocation in the Issue;
32. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and
33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date.
34. The ASBA bidders shall ensure that bids above ₹5.00 lakhs, are uploaded only by the SCSBs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
3. Do not Bid for a Bid Amount exceeding ₹2.00 lakhs (for Bids by RIBs) and ₹5.00 lakhs for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/ revise the Bid amount to less than the Floor Price or higher than the Cap Price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
18. Anchor Investors should not bid through the ASBA process;
19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not submit the GIR number instead of the PAN;
22. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Manager;
23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
24. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/ Issue Closing Date;
25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Issue Closing Date;
26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Issue;
29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
31. Do not Bid if you are an OCB;
32. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and
33. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders.
34. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹5.00 lakhs;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

GROUNDS FOR TECHNICAL REJECTION

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Banks);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/22/2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹2.00 lakhs;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4:00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchanges. On the Bid/ Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre- Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance officer. For details of the Company Secretary and Compliance officer, see “*General Information*” beginning on page 64 of this Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale

only, then minimum subscription may not be applicable. Flow of Events from the closure of bidding period (T DAY) Till Allotment:

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

Process for generating list of allottees: -

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorised employees of the Stock Exchange, along with the Book Running Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

Terms of payment

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

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

METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME

Our Company will not make any allotment in excess of the Equity Shares offered through this Offer document.

The allotment of Equity Shares to bidders other than to the RIBs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion and the remaining available shares, if any, shall be allotted on a proportionate basis. Further, not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations. Further, the allocation to each Non-Institutional Investor shall not be less than Minimum NIB Application Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

PAYMENT INTO ANCHOR INVESTOR ESCROW ACCOUNTS

Our Company in consultation with the Book Running Lead Manager will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favor of:

- (a) In case of resident Anchor Investors: “*Rappid Valves (India) Limited Anchor Investor – R Account*”
- (b) In case of Non-Resident Anchor Investors: “*Rappid Valves (India) Limited Anchor Investor – NR Account*”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Janasatta editions of the Marathi daily newspaper Pratahakal (Marathi being the regional language of Maharashtra where our Registered Office is located) each with wide circulation.

In the pre- Issue advertisement, we shall state the Bid/ Issue Opening Date and the Bid/ Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

ALLOTMENT ADVERTISEMENT

Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Janasatta and all editions of the Marathi daily newspaper Pratahakal (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

SIGNING OF THE UNDERWRITING AGREEMENT AND FILING WITH THE ROC

Our company has entered into an Underwriting Agreement dated September 13, 2024.

After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, the Issue size, and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see “*Terms of the Issue*” on page 242 of this Red Herring Prospectus.

IMPERSONATION

Attention of the bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹10.00 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50.00 lakhs or with both.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/ Issue Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within three Working Days from the Bid/ Issue Closing Date or such other prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoters' contribution, if any, shall be brought in advance before the Bid/ Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- that if our Company does not proceed with the Issue after the Bid/ Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges shall be informed promptly;

UTILISATION OF ISSUE PROCEEDS

Our Company, severally and not jointly, specifically confirm that all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued, issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI SAST Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Nondebt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI policy, FDI in companies engaged in the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 256 of this Red Herring Prospectus. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws of the United States. Accordingly, the Equity Shares are only being issued and sold only outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Issue and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

**SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION
THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION
OF
RAPPID VALVES (INDIA) LIMITED**

I. (1) In these regulations—

- (a) "Company" means ***RAPPID VALVES (INDIA) LIMITED**.
 - (b) "Office" means the Registered Office of the Company.
 - (c) "Act" means the Companies Act, 2013, and any statutory modification thereof.
 - (d) "Seal" means the Common Seal of the Company.
 - (e) "Directors" means the Directors of the Company and includes persons occupying the position of the Directors by whatever names called.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

Public company

The company is a Public Company within the meaning of Section 2 (71) of the Companies Act 2013 and accordingly-

- (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 prescribed.

****Note:. Company Converted from Private to public as per approval accorded on Extra-Ordinary General Meeting held on 31/01/2024***

Share capital and variation of rights

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided—
- (a) one certificate for all his shares without payment of any charges; or
 - (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

9. (i) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: **Provided** that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the

purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register—
(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(b) any transfer of shares on which the company has a lien.

21. The Board may decline to recognise any instrument of transfer unless—
(a) The instrument of transfer is in the form as prescribed in rules made under sub-Section (1) of section 56;
(b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
(c) The instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock,—

(a) 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.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

Capitalisation of profits

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which

they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

43. (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 herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

53. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

54. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

55. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

56. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

57. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

The first director names are as follows:

a. Gaurav Dalal

b. Usha Dalal

(i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

58. The Board may pay all expenses incurred in getting up and registering the company.

59. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

60. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

61. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

62. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

63. (i) The Board of directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

64. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the chairperson of the Board, if any, shall have a second or casting vote.

65. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

66. (i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

67. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

68. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

69. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

70. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

71. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

72. 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.

A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

73. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

74. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

75. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

76. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

77. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

78. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

79. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

80. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

81. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

82. No dividend shall bear interest against the company.

Accounts

83. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

84. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

85. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. to 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Issue Closing Date. The copies of the contracts and documents for inspection referred to hereunder will be uploaded on the website of our Company at, and will be available for inspection from date of the Red Herring Prospectus until the Bid/ Issue Closing Date (except for such agreements executed after the Bid/ Issue Closing Date).

MATERIAL CONTRACTS

1. Issue Agreement dated July 01, 2024 between our Company and the Book Running Lead Manager.
2. Registrar Agreement dated July 12, 2024 between our Company and the Registrar to the Issue.
3. Banker to the Issue agreement dated August 26, 2024 between our Company, Book Running Lead Manager, Registrar to the Issue and Public Issue Bank/refund Bank/Sponsor bank.
4. Market Making Agreement dated September 13, 2024 between our Company and the Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated September 13, 2024 between our Company and Book Running Lead Manager and the Underwriter.
6. Syndicate Agreement dated September 13, 2024 amongst our Company, the Book Running Lead Manager, and Syndicate Members.
7. Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated August 04, 2022.
8. Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated May 03, 2024.

MATERIAL DOCUMENTS

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation dated May 24, 2002, issued under the name Rapid Valves (India) Private Limited, issued by Registrar of Companies, Mumbai.
3. Copy of Fresh Certificate of Incorporation dated February 10, 2009, issued by Registrar of Companies, Mumbai consequent to name change from Rapid Valves (India) Private Limited to Rappid Valves (India) Private Limited. Consequently, pursuant to the conversion of our Company into a Public Limited Company, a Copy of Fresh Certificate of Incorporation dated June 20, 2024, issued by Registrar of Companies, Mumbai
4. Resolution of the Board of Directors dated June 26, 2024 in relation to the Issue.
5. Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held on June 27, 2024 in relation to the Issue.

6. Peer Reviewed Auditor's report for Restated Financial Statements dated July 11, 2024 included in this Red Herring Prospectus.
7. The Statement of Possible Tax Benefits dated July 11, 2024 from our Peer Review Auditor included in this Red Herring Prospectus.
8. Copies of Audited Financial Statements of the Company for the financial year ended March 31, 2024, 2023, and 2022.
9. Consents of our Directors, Promoter, Company Secretary and Compliance Officer, Chief Financial Officer, Senior Management Personnel, Statutory Auditor, Chartered Engineer, Peer Review Auditor, Banker(s) to the Company, Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Banker to the Issue, Syndicate Member, Underwriter and Market Maker to act in their respective capacities.
10. Certificate on KPI's issued by the Statutory Auditor M/s Vinay Bhushan & Associates, Chartered Accountants, by way of their certificate dated July 11, 2024.
11. Board Resolution dated July 12, 2024 for approval of Draft Red Herring Prospectus, dated September 13, 2024 for approval of Red Herring Prospectus and dated for [●] approval of Prospectus.
12. Due Diligence Certificate dated September 13, 2024 to SEBI by the Book Running Lead Manager.
13. Approval from NSE vide letter dated September 12, 2024 to use the name of NSE in this Issue Document for listing of Equity Shares on the NSE Emerge.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

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|---|--|
| Sd/- Mr. Gaurav Vijay Dalal Chairman and Managing Director DIN: 00494466 | Sd/- Ms. Lohiya Padma Madhusudan Non-Executive Director DIN: 10699590 |
| Sd/- Mr. Dinesh Gopal Mundada Non-Executive Independent Director DIN: 07274519 | Sd/- Mr. Dayaram Paliwal Non-Executive Independent Director DIN: 03060803 |

SIGNED BY THE CFO AND CS OF OUR COMPANY

| | |
|--|--|
| Sd/- Mr. Dipesh Bhalchandra Dalvi Chief Financial Officer | Sd/- Ms. Nidhi Krutik Shah Company Secretary and Compliance Officer |
|--|--|

Date: September 14, 2024

Place: Thane